YEAR 2 | AN 2

Manitoba moves forward
Manitoba's five-year economic plan

Le Manitoba va de l'avant
Plan économique quinquennal du Manitoba

THE PROVINCE OF MANITOBA

Annual Report

PROVINCE DU MANITOBA

Rapport Annuel

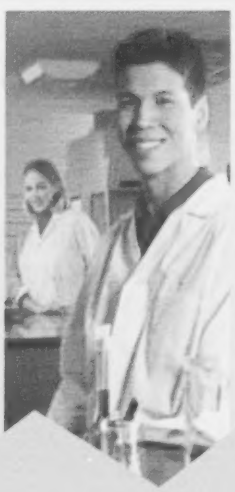
For The Year Ended March 31, 2012 | Pour l'exercice terminé le 31 mars, 2012

INCLUDES:

The Year End Review | Economic Report
Financial Statement Discussion and Analysis Report
Public Accounts – Volume 1

SOMMAIRE :

Bilan de L'année | Rapport économique
Rapport d'analyse des états financiers
Volume 1 des comptes publics



Manitoba

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES
FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

HIS HONOUR PHILIP LEE
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Province of Manitoba for the year ended March 31, 2012. This document completes the government's accountability reporting for the year. The Report includes a review of the year's results relative to the government's budget. It also contains economic statistics and indicators of the financial health of the Province.

Included in this Annual Report is Volume 1 of the Public Accounts. The Public Accounts contain the summary financial statements of the government reporting entity and management's financial statement discussion and analysis report.

Original signed by:

Honourable Stan Struthers
Minister of Finance

Office of the Minister of Finance
September, 2012

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES
FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

SON HONNEUR PHILIP LEE
Lieutenant-gouverneur de la province du Manitoba

Votre Honneur,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la province du Manitoba pour l'exercice qui s'est terminé le 31 mars 2012. Ce document complète le compte rendu des activités du gouvernement pour cet exercice. Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il contient également des statistiques économiques et des indicateurs de la santé financière de la province.

Ce rapport annuel inclut le Volume 1 des comptes publics. Les comptes publics contiennent les états financiers sommaires de l'entité comptable du gouvernement, ainsi que les commentaires et analyses de la direction à ce sujet.

Original signed by:

Monsieur Stan Struthers
Ministre des Finances

Cabinet du ministre des Finances
Septembre 2012

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YEAR-END REVIEW

I am pleased to present the Province's Annual Report for the fiscal year ended March 31, 2012, that contains the financial statements for the year and reports of fiscal and economic performance.

The unprecedented flooding in 2011 resulted in significant unbudgeted expenditures for flood fighting, mitigation work and financial assistance for homeowners, businesses, First Nation communities and municipalities. Our summary financial statements show a net loss of $999 million for the year ended March 31st, 2012, which was significantly higher than budgeted primarily as a result of the 2011 flood. Although the global recovery slowed considerably in 2011, Manitoba's stable economic base helped our province fare better than most in meeting the challenges of the past year.

The annual report continues to improve the accountability and transparency of public sector bodies and, in the Financial Statement Discussion and Analysis section, reports progress on key long-term indicators, established as recommended practices by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

I am pleased to be able to provide Manitobans with the Summary results and our Government will continue our efforts to achieve the objectives and results outlined in our Financial Management Strategy.

Respectfully submitted
Honourable Stan Struthers
Minister of Finance

BILAN DE L'ANNÉE

J'ai le plaisir de vous présenter le rapport annuel de la Province pour l'exercice financier qui s'est terminé le 31 mars 2012 et qui contient les états financiers pour l'exercice ainsi que les rapports sur les résultats financiers et économiques de la province.

Les inondations sans précédent en 2011 a entraîné de considérable dépenses non prévues au budget pour la lutte contre les inondations, travaux d'atténuation et d'aide financière pour les propriétaires, les entreprises, les nations autochtone et les municipalités. Nos états financiers sommaires montrent une perte nette de 999 millions de dollars pour l'exercice se terminant le 31 mars 2012, soit un montant beaucoup plus élevé à ce qui avait été prévu au budget, la raison principale étant l'inondation de 2011. Alors que la reprise mondiale s'est considérablement ralentie en 2011, la base économique stable du Manitoba a permis à notre province de mieux s'en tirer que la plupart, et a surmonter les défis de l'année écoulée.

Le rapport annuel continue d'améliorer la transparence et l'obligation redditionnelle des organismes du secteur privé et, dans la partie réservée à l'analyse des états financiers, fait état des progrès accomplis relativement aux indicateurs à long terme établis comme pratiques recommandées par le Conseil sur la comptabilité dans le secteur public de l'Institut Canadien des Comptables Agréés.

Je suis heureuse de pouvoir faire part aux Manitobains des résultats sommaires. Le gouvernement continuera à déployer des efforts pour atteindre les objectifs et les résultats soulignés dans sa Stratégie de gestion financière.

Le tout respectueusement soumis.
Monsieur Stan Struthers
Ministre des Finances

ECONOMIC REPORT / RAPPORT ÉCONOMIQUE

Manitoba's economy is one of the most diversified in Canada. The province has a broad industrial base with a major presence in manufacturing, transportation, finance and insurance, agriculture, hydro-electricity and mining. This diversity is an ongoing source of strength and stability.

L'économie manitobaine est l'une des plus diversifiées du Canada. La province possède une large base industrielle avec une forte présence dans les secteurs de la fabrication, du transport, des finances et de l'assurance, de l'agriculture, de l'hydroélectricité et des mines. Cette diversité est une source permanente de force et de stabilité.

Over the past ten years, Manitoba's real economic growth has been one of the most stable among the provinces. Over the last five years, Manitoba posted the second strongest average annual growth among the provinces. During the global recession in 2009, Manitoba fared better than other economies, contracting by 0.5% compared to the national average decline of 2.8%.

Au cours des dix dernières années, la croissance économique réelle du Manitoba a été l'une des plus stables des provinces canadiennes. Au cours des cinq dernières années, le Manitoba était au deuxième rang des provinces pour la plus forte croissance annuelle moyenne. Pendant la récession mondiale de 2009, l'économie du Manitoba s'en est mieux sortie que bien d'autres, ayant subi un ralentissement de 0,5 % comparé à la baisse moyenne nationale de 2,8 %.

With the global recovery slowing considerably in 2011, overall economic activity in Manitoba remained stable and continued to progress close to the historical average annual rate. The Manitoba Bureau of Statistics estimates that Manitoba's economy grew 2.2% in 2011 following 2.3% growth in 2010.

Alors que la reprise économique mondiale ralentissait considérablement en 2011, l'activité économique du Manitoba est restée stable dans son ensemble et a continué à progresser à un taux proche du taux moyen annuel historique. Le Bureau des statistiques du Manitoba estime que l'économie du Manitoba a augmenté de 2,2 % en 2011, après avoir connu un taux de croissance de 2,3 % en 2010.

Strong population growth coupled with stronger consumer spending, including activity related to the return of the Winnipeg Jets National Hockey League franchise, provided a boost to Manitoba's service sector in 2011. Industrial output in the service producing sector expanded by 3.0% with commercial services increasing by 3.3% and non-commercial service increasing by 2.4%. Several factors constrained industrial output in goods production including the adverse weather conditions for agriculture production and completion of major capital projects for the construction industry. As a result, industrial output in the goods producing sector was unchanged in 2011.

La forte croissance démographique associée à de fortes dépenses de consommation, mais aussi l'activité liée au retour de l'équipe de la Ligue nationale de hockey, les Winnipeg Jets, a fourni un coup de pouce au secteur des services du Manitoba en 2011. La production industrielle a augmenté de 3,0 % dans le secteur de la production de services, de 3,3 %, pour les services commerciaux et de 2,4 %, pour les services non commerciaux. Plusieurs facteurs ont limité la production industrielle en ce qui concerne la production de biens, y compris des conditions météorologiques défavorables, pour ce qui est des productions agricoles, et l'achèvement de projets d'immobilisations majeurs, pour ce qui est de l'industrie de la construction. Par conséquent, la production industrielle n'a pas changé en 2011 dans le secteur de la production de biens.

There are several factors behind Manitoba's relative stability during the current economic cycle. Manitoba's diverse industrial structure lends itself to stable growth during swings in economic activity. The province has a relatively large and broad service sector base that tends to remain stable through the business cycle supplying key services. Manitoba has one of the most balanced external trade portfolios which exports similar

La relative stabilité économique du Manitoba durant le cycle économique actuel repose sur plusieurs facteurs. La diversité de la structure industrielle du Manitoba favorise une croissance stable durant les périodes de fluctuations économiques. La province dispose d'un secteur des services relativement important et étendu qui tend à demeurer stable tout au long du cycle économique en fournissant des services essentiels. Le

values of output to both interprovincial and international markets. Manitoba also has a resilient labour market with a high participation rate and low unemployment rate.

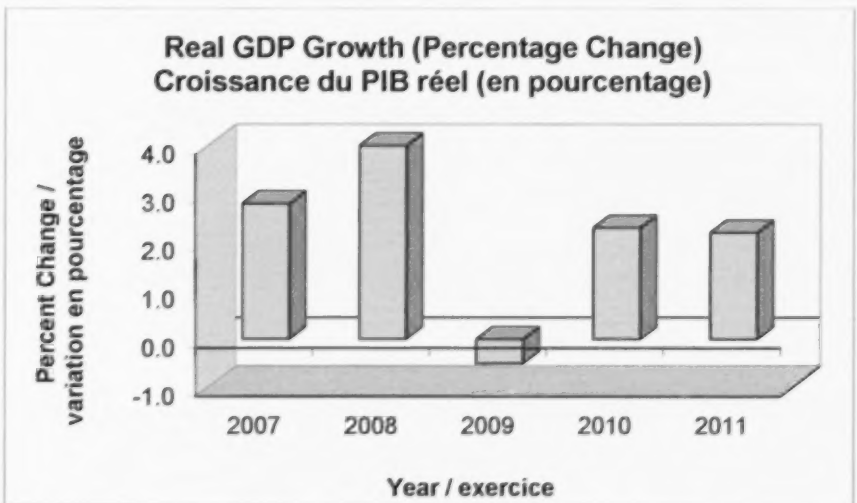
commerce extérieur du Manitoba est l'un des plus équilibrés au Canada puisque la valeur de la production exportée vers des marchés interprovinciaux est équivalente à celle exportée vers des marchés internationaux. Le Manitoba bénéficie aussi d'un marché du travail robuste caractérisé par un fort taux d'activité et un taux de chômage bas.

Gross Domestic Product

In March 2012, the Manitoba Bureau of Statistics estimated that 2011 real GDP increased by 2.2% in Manitoba.

Produit intérieur brut

En mars 2012, le Bureau des statistiques du Manitoba a estimé que le PIB réel avait augmenté de 2,2 % en 2011 au Manitoba.



Population

Manitoba's population was 1,250,574 as of July 1, 2011, the fifth largest among provinces. This is Manitoba's "official" population for the year.

The population growth from the previous year was 16,039 or 1.3%. This is the second consecutive year that Manitoba's population growth rate exceeded the national since 1985. Recent population growth is supported by an increase in immigration and a reduction in interprovincial out-migration. Natural population growth (births minus deaths) is also increasing.

Population

Au 1er juillet 2011, le Manitoba comptait 1 250 574 habitants, ce qui le plaçait au 5e rang des provinces. Il s'agit de la population « officielle » de la province pour cette année.

La population a augmenté de 16 039 personnes par rapport à l'année passée, soit une croissance de 1,3 %, C'est la deuxième année consécutive, depuis 1985, que le taux de croissance de la population du Manitoba dépasse le niveau national. La récente croissance démographique est appuyée par une augmentation de l'immigration et une diminution de l'émigration vers d'autres provinces. La croissance démographique naturelle (naissances moins décès) augmente également.

On a calendar year basis, Manitoba's population grew by 15,696 persons in 2011 with total net in-migration of 9,948 persons combined with natural population growth of 5,748 persons.

Sur l'année civile, la population manitobaine a augmenté de 15 696 personnes en 2011, soit une immigration nette totale de 9 948 personnes plus une croissance démographique naturelle de 5 748 personnes.

Labour Force and Incomes

Manitoba's labour market moderated in 2011 after sharply increasing in 2010. Total employment increased by 4,700 workers in 2011 following a gain of 11,500 workers in 2010. Full-time employment increased by 4,800 workers in 2011 and part-time employment declined by 200 workers.

Manitoba's labour force expanded by 5,300 workers in 2011, following a gain of 13,100 in 2010. At 69.3%, Manitoba's labour force participation rate was the second highest among provinces in 2011. The national average labour force participation rate was 66.8% in 2011.

Manitoba's service sector employment, which accounts for 77% of total employment, increased by 1,600 jobs in 2011, while the goods sector employment increased by 3,200 jobs. Last year, private sector employment increased by 5,300 jobs and public sector employment decreased by 600 jobs. The provincial construction employment increased by 3,800 workers in 2011. Over the last five years construction employment has increased by 7.9% anually.

The unemployment rate remained steady at 5.4% in 2011. The 2011 unemployment rate was the second lowest in Canada and well below the national rate of 7.4%. In 2011, Manitoba's youth unemployment was 11.6%, the third lowest among provinces.

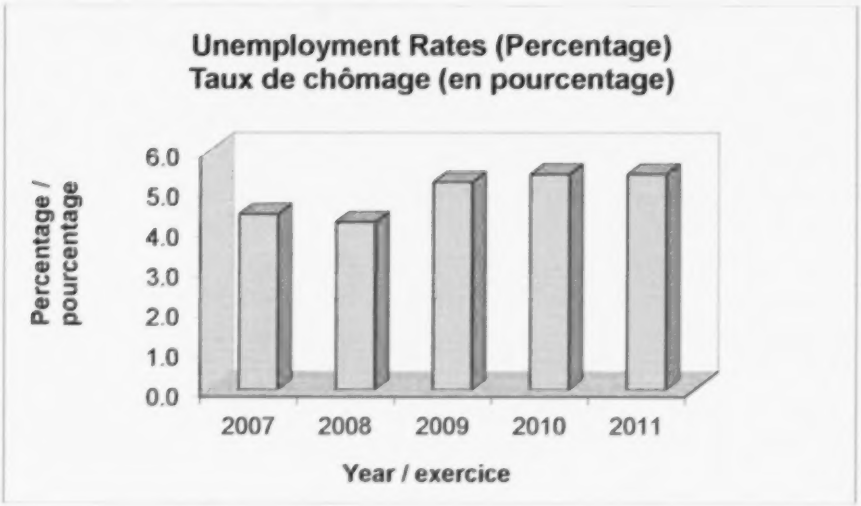
Main-d'œuvre et revenus

Le marché du travail du Manitoba a connu une croissance modérée en 2011, après les fortes augmentations de 2010. L'emploi total a augmenté de 4 700 travailleurs en 2011, après un accroissement de 11 500 travailleurs en 2010. En 2011, il y a eu un gain de 4 800 emplois à plein temps et une perte de 200 emplois à temps partiel.

La population active du Manitoba s'est accrue de 5 300 travailleurs en 2011, après une hausse de 13 100 travailleurs en 2010. Le taux d'activité de la main-d'œuvre, à 69,3 %, a placé le Manitoba à la 2e place parmi les provinces en 2011. La moyenne nationale du taux d'activité de la main-d'œuvre était de 66,8 % en 2011.

En 2011, 1 600 emplois ont été créés dans le secteur des services, qui représente 77 % du marché de l'emploi au Manitoba, et 3 200 dans le secteur des biens. L'année dernière, le nombre d'emplois s'est accru de 5 300 dans le secteur privé et il a diminué de 600 dans le secteur public. Le secteur de la construction a connu un accroissement de 3 800 travailleurs en 2011. Au cours des cinq dernières années, les emplois du secteur de la construction ont augmenté de 7,9 % annuellement.

Le taux de chômage est resté stable, à 5,4 % en 2011. Avec un taux bien en dessous de la moyenne nationale de 7,4 %, le Manitoba occupait en 2011 le deuxième rang canadien en ce qui concerne le taux de chômage le plus bas. En 2011, le taux de chômage chez les jeunes au Manitoba était de 11,6 %, classant la province au troisième rang des provinces pour les taux les plus faibles.



Investment

Manitoba's total capital investment increased to a record $11.4 billion in 2011, an increase of 1.5% from 2010. As several major capital projects were completed or were near completion, investment in structures declined by 3.5% in 2011. Investment in machinery and equipment increased by 14.1%. Manitoba has the best record for consistent growth in capital investment of all provinces with only one year of decline in the past 20 years.

Private capital investment increased 1.9%, compared to an estimated national increase of 8.8%. Public investment rose by 0.5% in Manitoba and by 1.1% in Canada.

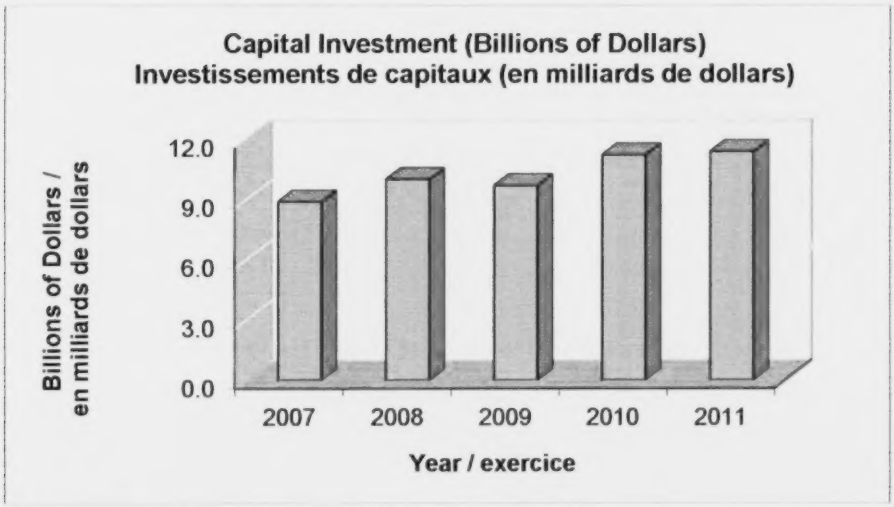
Since 2006, the level of private capital investment in Manitoba has increased by 34%, third highest in Canada and well above the national growth in private investment of 14% over the same period.

Investissements

Au Manitoba, le total annuel des investissements en immobilisations s'est accru de 1,5 % par rapport à 2010 pour atteindre le chiffre record de 11,4 milliards de dollars en 2011. Étant donné que plusieurs projets d'immobilisations majeurs se sont achevés ou sont presque terminés, les investissements dans l'infrastructure ont baissé de 3,5 % en 2011. Les investissements dans le matériel et l'outillage ont augmenté de 14,1 %. Le Manitoba affiche les meilleurs résultats de toutes les provinces en ce qui concerne la croissance régulière des investissements en immobilisations, puisqu'il n'a connu qu'une seule année de diminution en 20 ans.

Les investissements de capitaux privés ont augmenté de 1,9 %, comparativement à une augmentation nationale estimée à 8,8 %. Les investissements publics ont augmenté de 0,5 % au Manitoba et de 1,1 % au Canada.

Depuis 2006, le niveau des investissements de capitaux privés au Manitoba a augmenté de 34 %, ce qui place la province au 3e rang canadien à cet égard, et bien au-dessus de la moyenne nationale de 14 % durant la même période.



Sectoral Developments

Manitoba manufacturing sales increased by 6.2% to $15.3 billion, reversing a two-year decline in sales. Canadian sales increased 7.8%.

Prior to 2010, Manitoba's performance bettered the national average for nine consecutive years.

In 2011, chemicals (34%), machinery equipment (24%), primary metals (13%) and aerospace parts (9%) sales led the sector while electrical appliances (-17%), printing (-12%) and processed food (-3%) sales led the losses.

Développements sectoriels

Les ventes de produits manufacturés au Manitoba ont augmenté de 6,2 % pour atteindre 15,3 milliards de dollars, ce qui a mis fin à une baisse de deux ans. Les ventes au Canada ont augmenté de 7,8 %.

Avant 2010, le Manitoba a surpassé la performance économique moyenne nationale pendant neuf années consécutives.

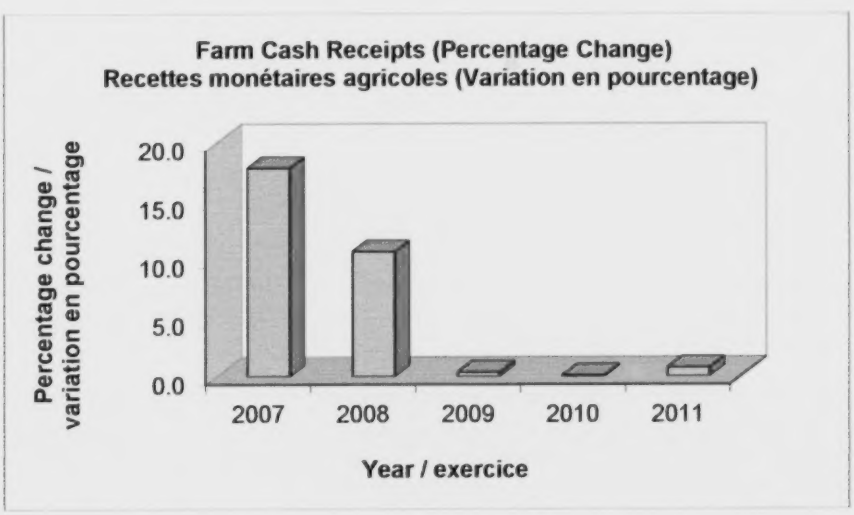
En 2011, les produits chimiques (34 %), le matériel et l'outillage (24 %), les métaux de première fusion (13 %), et les pièces aérospatiales (9 %) étaient en tête de liste des secteurs ayant connu une augmentation des ventes. À l'opposé, les appareils électriques (17 %), l'imprimerie (12 %) et les aliments transformés (3 %) étaient en tête de liste des secteurs ayant connu une baisse des ventes.

Manitoba farm cash receipts increased 0.8% in 2011 to $4.9 billion. Manitoba farm cash receipts have consecutively grown over the last five years, the best performance among provinces.

Les recettes monétaires agricoles du Manitoba ont augmenté de 0,8 % en 2011 pour atteindre 4,9 milliards de dollars. Les recettes monétaires agricoles du Manitoba ont augmenté durant chacune des cinq dernières années, ce qui représente le meilleur résultat de toutes les provinces.

Crop receipts were down 8.9% with weakness in oilseeds receipts offset by gains in wheat. Livestock receipts increased 6.8% with a sharp increase in hog receipts offset by a decrease in cattle receipts. Direct payments, which include crop insurance and other transfers to producers, are estimated to have increased by 45.8% in 2010.

Les recettes provenant des récoltes ont baissé de 8,9 %, les gains enregistrés dans le secteur du blé compensant les faiblesses dans le secteur des oléagineux. Les recettes tirées de l'élevage ont augmenté de 6,8 %, la forte augmentation des gains dans le secteur porcin ayant été atténuée par une baisse des recettes dans le secteur bovin. On estime que les paiements directs, qui comprennent les prestations d'assurance-récolte et d'autres transferts aux producteurs, ont augmenté de 45,8 % en 2010.

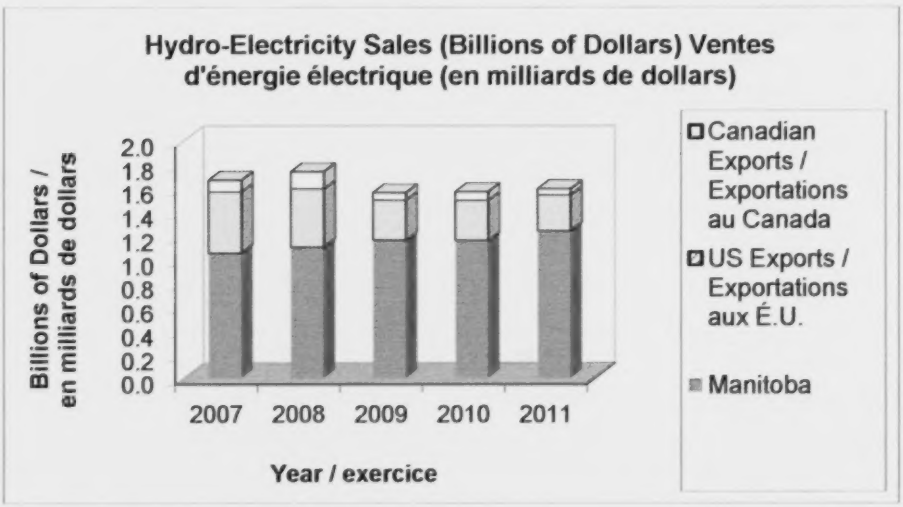


In 2011, the value of Manitoba electricity sales increased by 1.5%. A 6.8% increase in domestic sales was offset by a 13.6% decrease in export sales.

En 2011, la valeur des ventes d'énergie électrique au Manitoba a augmenté de 1,5 %. L'augmentation de 6,8 % des ventes intérieures a été contrebalancée par la diminution de 13,6 % des ventes à l'exportation.

Approximately 85% of export sales are to the United States with the balance to other Canadian provinces. Export sales to the U.S. are priced in $US; consequentially the decline was influenced by the rising Canadian dollar.

Environ 85 % des ventes à l'exportation sont destinées aux États-Unis et le reste aux autres provinces canadiennes. Les exportations à destination des États-Unis étant facturées en dollars américains, la hausse du dollar canadien a contribué à la baisse de la valeur des exportations.



In 2011, Manitoba housing starts increased to 6,083 units, a 3.3% increase and above the 2.1% national increase. Single starts were down 3.6% while multiples increased 17.8%. The 6,083 housing starts in Manitoba in 2011 is the highest level since 1987.

Il y a eu 6 083 mises en chantier au Manitoba en 2011. Cela représente une augmentation de 3,3 %, plus forte que l'augmentation nationale de 2,1 %. Les mises en chantier d'habitations individuelles ont diminué de 3,6 % et celles d'habitations à logements multiples ont augmenté de 17,8 %. Les 6 083 mises en chantier au Manitoba en 2011 représentent le nombre le plus élevé enregistré depuis 1987.

In 2011, the value of building permits in Manitoba increased 4.8%. Non-residential permits were up 14.3% while residential permits were unchanged from 2010. Canadian permits were up 2.1% in 2011.

En 2011, la valeur des permis de construction a augmenté de 4,8 % au Manitoba. La valeur des permis de construction non résidentielle a augmenté de 14,3 % par rapport à 2010 tandis que celle des permis de construction résidentielle n'a pas changé. Les permis de construction au Canada ont augmenté de 2,1 % en 2011.

Manitoba retail sales increased 4.3% in 2011 compared to a 4.1% increase in Canada. The increase in 2011 retail sales was led by gasoline store sales (16.3%), electronics and appliance store (7.7%) and health and personal care store (6.0%) sales. Building material and garden store (-5.3%) had the only decline in sales.

Les ventes de détail ont augmenté de 4,3 % en 2011 au Manitoba, comparativement à une hausse de 4,1 % au Canada. Les plus fortes augmentations en 2011 concernaient les ventes d'essence (16,3 %), d'appareils électroménagers et d'électronique (7,7 %) et de produits de santé et de soins personnels (6,0 %). Seules les ventes de matériaux de construction et d'articles de

jardinage (5,3 %) ont connu une baisse.

The number of new vehicles sold in Manitoba increased 7.0% last year to 48,546 units, a marked jump from the 3.1% growth in 2010, and higher than the 2.3% national increase.

Le nombre de nouveaux véhicules vendus au Manitoba a augmenté de 7,0 % l'année dernière pour atteindre les 48 546 unités, ce qui représente une hausse importante par rapport aux 3,1 % d'augmentation en 2010 et un taux plus élevé que les 2,3 % d'augmentation au niveau national.

The total value of production for Manitoba's metal and mineral mining increased in 2011. The volume of gold sharply increased in 2011, copper advanced while nickel and zinc production declined. Prices for all Manitoba's key metal mining commodities increased in 2011.

La valeur totale de la production dans le secteur des métaux et des minerais au Manitoba a augmenté en 2011. Le volume d'or produit a fortement augmenté en 2011, la production de cuivre a progressé et celle de nickel et de zinc a diminué. Les prix de tous les principaux produits dans l'industrie d'extraction des métaux au Manitoba ont augmenté en 2011.

Petroleum volume production was at record level with a 25.9% increase in 2011. Altogether, Manitoba's mining industries value of production (including petroleum) increased 24.2% in 2011. The value of mining production, excluding fuels increased 9.6% while value of fuel production increased by 51.4%.

Le volume de la production de pétrole a atteint des niveaux records avec une augmentation de 25,9 % en 2011. Au total, la valeur de la production dans l'industrie minière du Manitoba (pétrole compris) a augmenté de 24,2 % en 2011. La valeur de la production minière, carburants exclus, a augmenté de 9,6 % et celle des carburants a connu une hausse de 51,4 %.

PUBLIC ACCOUNTS
VOLUME 1
FOR THE YEAR ENDED
MARCH 31, 2012

VOLUME 1
DES COMPTES PUBLICS
POUR L'EXERCICE TERMINÉ
LE 31 MARS 2012

INTRODUCTION TO THE PUBLIC ACCOUNTS OF MANITOBA/ INTRODUCTION AUX COMPTES PUBLICS DU MANITOBA

Nature of the Public Accounts

The Public Accounts of Manitoba are prepared annually by statutory requirement in accordance with section 65(1) of *The Financial Administration Act*, which is Chapter F55 of the Continuing Consolidation of the Statutes of Manitoba. The Public Accounts reflect the summary financial position of the Government and the operating results for the fiscal year of the Government, which ends on March 31.

The information contained in the report originates from two sources:

- the summarized financial information presented in the accounts of Manitoba, maintained by the Provincial Comptroller; and
- the detailed records, maintained by departments, agencies, Crown organizations (Crowns) and Government Business Enterprises (GBEs).

Each department and public sector organization is responsible for reconciling its accounts to the control accounts of the Provincial Comptroller, and for maintaining detailed records of the transactions in their accounts.

Format of the Public Accounts of Manitoba

The Public Accounts of Manitoba consists of the following volumes:

Volume 1 presents the Economic Report, the Financial Statement Discussion and Analysis, the audited summary financial statements of the Government, and audited financial reports on the Fiscal Stabilization Account and the Debt Retirement Account: and the unaudited Consolidated Details and Reconciliation to Core Government Results;

Volume 2 presents the audited Schedule of Public Sector Compensation Payments of $50,000 or more and the Government Departments' and Special Operating Agencies' payments in excess of $5,000 that do not require an audit; and

Volume 3 presents Supplementary Schedules and other statutory reporting requirements.

Nature des comptes publics

Les Comptes publics du Manitoba sont préparés tous les ans par obligation légale, conformément au paragraphe 65(1) de la *Loi sur la gestion des finances publiques*, chapitre F55 de la *Codification permanente des lois du Manitoba*. Les comptes publics présentent la situation financière sommaire du gouvernement et les résultats de ses activités pour l'exercice financier du gouvernement, qui se termine le 31 mars.

Les renseignements fournis dans le rapport proviennent de deux sources :

- le résumé de l'information financière présentée dans les comptes du Manitoba, qui sont tenus par le contrôleur de la province;
- les registres détaillés, qui sont tenus par les ministères, les organismes, les sociétés de la Couronne et les entreprises publiques.

Chacun des ministères et des organismes du secteur public est responsable du rapprochement de ses comptes et des comptes collectifs tenus par le contrôleur de la province, et de la tenue de registres détaillés de leurs opérations comptables.

Composition des Comptes publics du Manitoba

Les Comptes publics du Manitoba comprennent les volumes suivants :

Le **volume 1** présente le Rapport économique, le Rapport d'analyse des états financiers, les états financiers sommaires vérifiés du gouvernement, ainsi que les rapports financiers vérifiés portant sur l'état annuel du solde à la fin de l'exercice en vertu de le compte de stabilisation des revenus, le compte de remboursement de la dette, et la réconciliation non vérifiés des opérations consolidées aux résultats du gouvernement centrale.

Le **volume 2** présente la liste vérifiée des paiements de rémunération du secteur public totalisant 50 000 $ ou plus, ainsi que les paiements totalisant plus de 5 000 $ qui n'exigent pas de vérification et qui sont versés par les ministères gouvernementaux et par les organismes de service spécial.

Le **volume 3** présente les annexes supplémentaires et les autres documents qui satisfont aux exigences législatives en matière de rapport.

Volume 4 is provided as a compendium of unaudited financial statements of special funds and audited financial statements of organizations, agencies and enterprises included in the Government Reporting Entity (GRE), but is not considered to be part of the Public Accounts of Manitoba.

Le **volume 4** est un recueil des états financiers vérifiés des fonds, des organisations de la Couronne, des organismes publics et des entreprises publiques inclus dans le périmètre comptable du gouvernement, mais il n'est pas considéré comme faisant partie des comptes publics du Manitoba.

Volume 1: Annual Report for the Year ended March 31, 2012 - This volume contains the following specific information:

Financial Statement Discussion and Analysis - This section provides a written commentary on the summary financial statements plus additional information on the financial and economic performance of the Provincial Government. The information contained in the Financial Statement Discussion and Analysis section is taken from the March 31, 2012 summary financial statements on pages 65 - 114.

Summary Financial Statements - These audited statements disclose the financial impact of the Government's activities. Only the Government's summary financial statements provide the key information on the financial activities of the entire Government. The summary financial statements include the financial results of the approximately 170 different agencies the Government uses to deliver its goods and services. The GRE includes the core Government and Crown organizations, government business enterprises and public sector organizations such as regional health authorities, school divisions, universities and colleges. The departments and entities comprising the GRE are disclosed in Schedule 8 of the summary financial statements.

The summary financial statements also provide the following key financial information:

- the Government's financial position at March 31 each year
- the results of its operations for the year
- what revenue it brought in and what it spent (i.e. annual surplus or deficit)
- how much it borrowed, repaid or refinanced
- how it obtained and used its cash

Volume 1 : Rapport annuel pour l'exercice terminé le 31 mars 2012 - ce volume contient l'information financière suivante :

Analyse des états financiers - cette section fournit un exposé écrit des états financiers sommaires, ainsi que des renseignements complémentaires sur la performance financière et économique du gouvernement du Manitoba. Les renseignements contenus dans l'analyse des états financiers sont tirés des états financiers sommaires pour l'exercice terminé le 31 mars 2012 (pages 65 à 114).

États financiers sommaires - les états financiers sommaires sont des états vérifiés qui précisent l'incidence financière des activités du gouvernement. Seuls les états financiers sommaires du gouvernement fournissent des renseignements clés sur les activités financières de tout le gouvernement. Ces états comprennent les résultats financiers des 170 organismes différents dont se sert le gouvernement pour fournir des biens et des services. Le périmètre comptable du gouvernement inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges. Les ministères et les organismes compris dans le périmètre comptable du gouvernement figurent à l'annexe 8 des états financiers sommaires.

Les états financiers sommaires contiennent les renseignements financiers clés suivants :

- la situation financière du gouvernement au 31 mars chaque année;
- les résultats des activités de l'exercice;
- le total des recettes et des dépenses (c'est-à-dire, l'excédent ou le déficit annuel);
- les sommes empruntées, remboursées ou refinancées;
- les sommes obtenues et la façon dont elles ont été utilisées.

Other Financial Reports – This section includes reports on information other than financial statements, including:

- the Fiscal Stabilization Account (audited),
- the Debt Retirement Account (audited), and
- Consolidated Details and Reconciliation to Core Government Results (unaudited)

Autres rapports financiers – cette section comprend des rapports portant sur l'information financière autre que les états financiers, notamment :

- le compte de stabilisation des revenus (vérifiés);
- le compte de remboursement de la dette (vérifiés); et
- la réconciliation des opérations consolidées aux résultats du gouvernement centrale (non vérifiés).

Volume 2: Supplementary Information - This volume contains the following specific information:

***Schedule of Public Sector Compensation* of $50,000 or More** - This audited schedule contains payments of $50,000 or more as paid through Government Departments as well as those paid by Special Operating Agencies, as required by *The Public Sector Compensation Disclosure Act*, and

Statement of Payments in Excess of $5,000 to Corporations, Firms, Individuals, Other Governments and Government Agencies - Included are details of Consolidated Fund and Special Operating Agencies' payments in excess of $5,000 to corporations, firms, individuals, other governments and government agencies.

Volume 2 : Supplément d'information - ce volume contient l'information suivante :

Liste de la rémunération dans le secteur public - cette liste vérifiée présente les paiements totalisant 50 000 $ ou plus, qu'il s'agisse des paiements versés par les ministères gouvernementaux ou de ceux versés par les organismes de service spécial, conformément aux exigences de la *Loi sur la divulgation de la rémunération dans le secteur public.*

État des paiements de plus de 5 000 $ versés à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics - cet état contient la liste des paiements de plus de 5 000 $ versés à même le fonds de fonctionnement ou par les organismes de service spécial à des sociétés, à des entreprises, à des particuliers, à d'autres administrations publiques et à des organismes publics.

Volume 3: Supplementary Schedules and Other Statutory Reporting Requirements - This volume contains unaudited statements, schedules and other information, as well as the following audited statements:

- the Report of Amounts Paid or Payable to Members of the Assembly; and
- the Northern Affairs Fund.

Volume 3 : Annexes supplémentaires et autres rapports prévus par la loi - ce volume contient des états, des annexes et d'autres renseignements non vérifiés, à l'exception des deux états suivants :

- le rapport des sommes versées ou à verser aux membres de l'Assemblée législative;
- le Fonds des Affaires du Nord.

Volume 4: This volume includes a compendium of unaudited financial statements of special funds and audited financial statements of organizations, agencies and enterprises included in the Government Reporting Entity, but is not considered to be part of the Public Accounts of Manitoba.

Volume 4 : Ce volume comprend un recueil d'états financiers vérifiés de fonds, d'organisations, d'organismes et d'entreprises.

The Public Accounts of Manitoba are available on the Internet at:
www.fin.gov.mb.ca

Les Comptes publics du Manitoba peuvent être consultés sur Internet à l'adresse suivante :
www.fin.gov.mb.ca

FINANCIAL STATEMENT DISCUSSION AND ANALYSIS REPORT/
Rapport d'analyse des états financiers

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2011/12 FINANCIAL HIGHLIGHTS

The highlights section provides a summary of the key events affecting the summary financial statements for the 2011/12 fiscal year with comparisons to results for the previous fiscal year, as applicable.

- The summary financial statements of the Province of Manitoba fully comply with Canadian generally accepted accounting principles for the public sector and received an unqualified audit opinion from the Auditor General of Manitoba.

- With the global recovery slowing considerably in 2011, overall economic activity remained stable and continued to progress at close to the historical average annual rate. The Manitoba Bureau of Statistics estimates that Manitoba's economy grew 2.2% in 2011 following 2.3% growth in 2010. Gross Domestic Product (GDP) increased 2.2% with nominal GDP reaching $56.9 billion.

- The Government recorded a net loss of $999 million, which is $121 million lower than forecast in the Third Quarter Financial Report and was $561 million greater than stated in Budget 2011, primarily as a result of the unprecedented flooding in 2011.

- The 2011/12 results included revenue of $13,855 million that sustained program expenses of $14,039 million and public debt charges of $815 million.

- Overall public debt charges as a percentage of revenue remained relatively consistent at 5.9%.

- The Province invested $1,441 million on new tangible capital assets during the year.

FAITS SAILLANTS 2011-2012

Les faits saillants résument les éléments clés des états financiers sommaires pour l'exercice financier 2011-2012 et les comparent aux résultats de l'exercice financier précédent, s'il y a lieu.

- Les états financiers sommaires de la Province du Manitoba sont entièrement conformes aux principes comptables généralement reconnus au Canada pour le secteur public, et le vérificateur général du Manitoba a émis à leur sujet une opinion de vérification sans réserve.

- Alors que la reprise économique mondiale ralentissait considérablement en 2011, l'activité économique du Manitoba est restée stable dans son ensemble et a continué à progresser à un taux proche du taux moyen annuel historique. Le Bureau des statistiques du Manitoba estime que l'économie de la province a connu une croissance de 2,3 % en 2010, puis de 2,2 % en 2011. Le produit intérieur brut (PIB) a augmenté de 2,2 %, le PIB nominal atteignant les 56,9 milliards de dollars.

- Le gouvernement a enregistré une perte nette de 999 millions de dollars, ce qui est de 121 millions inférieur qu'aux prévisions du Rapport financier du troisième trimestre et de 561 millions de dollars plus élevé à ce qui avait été prévu au budget de 2011, principalement a cause des inondations sans précédent de 2011.

- Les résultats de 2011-2012 comprenaient des recettes de 13 855 millions de dollars, qui ont servi à couvrir des dépenses de programmes de l'ordre de 14 039 millions de dollars et à assumer des frais de la dette publique établis à 815 millions de dollars.

- Les frais globaux de la dette publique en pourcentage des recettes totales sont demeurés constants, à 5,9 %.

- La Province a investi 1 441 millions de dollars en nouvelles immobilisations corporelles au cours de l'exercice.

- The net debt position (the difference between total liabilities and financial assets) was at $14,511 million at the end of 2011/12, up $1,986 million from its balance as at March 31, 2011. Net debt to GDP increased to 25.5% from 23.1% at March 31, 2011. The ratio of net debt to total revenues has increased to 104.7% from 94.6% at March 31, 2012.

- The accumulated deficit (the difference between total liabilities and financial and non-financial assets) stood at $5,305 million as at March 31, 2012, an increase of $1,068 million from March 31, 2011. The accumulated deficit to GDP ratio was 9.3%, up from 7.8% at March 31, 2011.

- La dette nette (le total des passifs moins les actifs financiers) s'élevait à 14 511 millions de dollars à la fin de 2011-2012, une hausse de 1 986 millions de dollars par rapport au solde du 31 mars 2011. Le ratio entre la dette nette et le PIB est passé de 25,5 % à 23,1 % au 31 mars 2011. Celui entre la dette nette et les recettes totales est passé de 94,6 % à 104,7 % au 31 mars 2012.

- Le déficit accumulé (le total des passifs moins les actifs financiers et non financiers) s'établissait à 5 305 millions de dollars au 31 mars 2012, en augmentation de 1 068 millions de dollars par rapport au 31 mars 2011. Le ratio entre le déficit accumulé et le PIB a augmenté, pour se situer à 9,3 %, contre 7,8 % au 31 mars 2011.

FINANCIAL CONDITION OF THE GOVERNMENT

The Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA), through a statement of recommended practices, suggests a number of financial indicators to assist in the assessment of a government's financial condition. There are no established public sector benchmarks for these indicators. The indicators, expressed as ratios or trends, provide a picture of what has occurred over a period of years to facilitate comparisons and assist in the assessment of the Government's financial health in the context of the current economic and financial environment. The recommended indicators are grouped into three categories:

(1) ***Sustainability*** - measures a government's ability to maintain its programs without the need to increase its borrowings,

(2) ***Flexibility*** - how well a government can respond to rising financial commitments by either expanding its revenue or increasing its borrowings,

(3) ***Vulnerability*** - how much a government relies on revenue sources beyond its direct control or influence, both domestic and international.

Source of data and its limitations

The financial indicators in this report use key financial information from the audited summary financial statements. Economic information is obtained from Statistics Canada and the Manitoba Bureau of Statistics. Comparative data presented is not adjusted for inflation. Comparative results are restated to conform to any changes in accounting policy or presentation adopted in the current fiscal year. The financial indicators in this section present the results in the same format as presented in the Public Accounts of Manitoba.

LA SITUATION FINANCIÈRE DU GOUVERNEMENT

Le Conseil sur la comptabilité dans le secteur public de l'Institut canadien des comptables agréés (ICCA) publie un projet d'énoncé de pratiques recommandées dans lequel il suggère divers indicateurs financiers utiles à l'évaluation de la situation financière des gouvernements. Les indicateurs proposés ne sont pas associés à des valeurs de référence pour le secteur public. Ils correspondent plutôt à des ratios ou à des indicateurs de tendance qui dressent le portrait de la situation pendant un nombre donné d'exercices, pour faciliter les comparaisons et aider à l'analyse de l'évaluation de la santé financière du gouvernement dans la conjoncture économique et financière courante. Les indicateurs recommandés sont regroupés dans trois catégories :

(1) La ***viabilité*** - mesure la capacité d'un gouvernement de maintenir ses programmes sans avoir à accroître ses emprunts.

(2) La ***souplesse*** - mesure la capacité d'un gouvernement de faire face à des engagements financiers grandissants en accroissant ses recettes ou en s'endettant davantage.

(3) La ***vulnérabilité*** - mesure le degré de dépendance d'un gouvernement de sources de recettes qui échappent à son pouvoir direct ou à son influence, tant sur le plan national qu'international.

Les sources de données et leurs limites

Les indicateurs financiers présentés dans le présent rapport se fondent sur des données financières clés contenues dans les états financiers sommaires vérifiés. Les données économiques proviennent de Statistique Canada et du Bureau des statistiques du Manitoba. Les données comparatives présentées ne sont pas ajustées en fonction de l'inflation. Par contre, les résultats comparatifs sont ajustés pour tenir compte de la méthode comptable ou de la présentation adoptée au cours de l'exercice financier. Les indicateurs financiers de la présente section montrent les résultats dans le

même format que celui des Comptes publics du Manitoba.

The Government's 2011/12 Financial Condition

This section describes the Government's financial health using the CICA's three categories of sustainability, flexibility, and vulnerability. The section also describes each category and the related indicators. For each indicator, it provides trend data for Manitoba and highlights key trends.

Sustainability

As noted above, sustainability measures the ability of a government to meet its existing program commitments and creditor requirements without increasing its borrowings or tax burden.

Looking at trends for the following five indicators provides useful insight into the sustainability of a government's revenue-raising and spending practices:

- *Net Debt as a Percentage of Provincial GDP:* the relationship between a government's net debt and the income in the economy,
- *Net Debt-to-Total Annual Revenue:* the extent to which future revenues are required to pay for past transactions or events,
- *Accumulated Deficit-to-Provincial GDP:* the extent to which past and current deficits and surpluses influenced the Government's ability to manage its indebtedness and operational challenges,
- *Annual Net Income (Loss):* the extent to which Government is living within its means, and

La situation financière du gouvernement en 2011-2012

La présente section décrit la santé financière du gouvernement à l'aide de trois catégories de l'ICCA, soit la viabilité, la souplesse et la vulnérabilité. Elle décrit également chacune des catégories et les indicateurs qui y sont associés. Pour chacun des indicateurs, on fournit des données et on souligne les principales tendances de la province.

Viabilité

Comme nous l'avons indiqué plus tôt, les ratios de viabilité mesurent la capacité d'un gouvernement d'assumer les engagements pris dans le cadre de ses programmes et de répondre aux exigences de ses créanciers sans avoir à accroître ses emprunts ou le fardeau fiscal.

L'observation des tendances qui se dégagent des cinq indicateurs suivants permet de se faire une idée concrète de la viabilité des pratiques du gouvernement en matière de dépenses et de production de recettes :

- *la dette nette en pourcentage du PIB provincial :* la relation entre la dette nette d'un gouvernement et les résultats de l'économie;
- *la dette nette en pourcentage des recettes annuelles totales :* la mesure dans laquelle les recettes à venir serviront à payer des opérations ou des événements passés;
- *le déficit accumulé en pourcentage du PIB provincial :* la mesure dans laquelle les déficits passés et actuels et les excédents influent sur la capacité d'un gouvernement de gérer son endettement et les difficultés dans ses activités;
- *les recettes nettes (pertes nettes) annuelles :* la mesure dans laquelle le

- *Annual Net Income (Loss)-to-Provincial GDP:* the extent to which current period results influenced net debt.

Net Debt as a Percentage of Provincial GDP

The Government manages its revenue-raising and spending practices with due regard to the provincial economy. Looking at net debt and provincial GDP provides insights into these practices.

Net debt - the difference between a government's total liabilities and total financial assets - provides a measure of the future revenue required to pay for past transactions and events. Net debt as a percentage of provincial GDP (net debt to GDP ratio) measures the level of future financial obligations placed on the economy by a government's cumulative spending and revenue-raising practices. It provides a measure of how much debt a government is carrying relative to the Province's annual economic output.

Investment in capital improvements and replacement of deteriorating tangible capital assets, such as transportation infrastructure, also result in increased net debt. As the tangible capital investments are acquired, debt is incurred and then costs are amortized over their future useful life, essentially allocating costs to the period over which the assets will be used and over a period in which revenue will be generated. The percentage of net debt attributable to tangible capital investment has increased from 56.2% in 2007/08 to 62.7%in 2011/12, reflecting increased priority placed on renewing publicly funded capital assets.

Graph 1 shows the net debt to GDP ratio at March 31, 2012 was 25.5%, compared to 23.1% in the

gouvernement vit selon ses moyens.

- *les recettes nettes (pertes nettes) annuelles en pourcentage du PIB provincial* : la mesure dans laquelle les résultats de la période courante influent sur la dette nette.

La dette nette en pourcentage du PIB provincial

Le gouvernement adapte ses pratiques en matière de dépenses et de production de recettes en fonction de l'économie de la province. Le ratio entre la dette nette et le PIB provincial donne un aperçu des résultats de ces pratiques.

La dette nette, à savoir, le total des passifs du gouvernement moins le total de ses actifs financiers, indique les recettes qui devront être utilisées pour assumer financièrement des opérations ou des événements antérieurs. La dette nette en pourcentage du PIB provincial (ratio entre la dette nette et le PIB) exprime le niveau d'obligations financières que devra assumer l'économie en raison des pratiques cumulatives en matière de dépenses et de production de recettes. Le pourcentage représente l'ampleur de la dette du gouvernement par rapport aux résultats économiques annuels de la province.

Des investissements dans l'amélioration des immobilisations et dans le renouvellement des immobilisations corporelles sujettes à l'usure, comme les infrastructures de transport, peuvent également accroître la dette nette. Au fur et à mesure que la province acquiert des immobilisations corporelles, elle contracte une dette, et le coût des nouvelles immobilisations est ensuite amorti sur leur vie utile, essentiellement en le passant en charges sur la période pendant laquelle les immobilisations seront utilisées et sur la période pendant laquelle elles produiront des recettes. Le pourcentage de la dette nette attribuable à l'investissement en immobilisations corporelles est passé de 56,2 % en 2007-2008 à 62,7 %, un pourcentage qui traduit la priorité du gouvernement de renouveler les immobilisations publiques.

Le diagramme 1 montre que le ratio entre la dette nette et le PIB au 31 mars 2012 était de 25,5 %,

previous year. A stable or declining net debt per capita is an indication of a stable or decreasing debt burden on a per person basis. The increase in net debt in 2011/12 is primary related to investments in tangible capital assets including an increase in infrastructure spending for economic stimulus, as well as increased costs related to unprecedented flooding in 2011. Continued investment in stimulus infrastructure including repairing the damage caused by the 2011 flood and the mitigation of the impact of any future flood costs has resulted in an increase over 2010/11. The net debt for 2011/12 included a loss in other comprehensive income (OCI) recorded by the government business enterprises (GBEs). OCI represents unrealized gains or losses calculated at a point in time and can have significant impact on the measurement of net debt. OCI is measured as the change in "mark-to-market" valuations, interest rates, and foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

contre 23,1 % à la fin de l'exercice antérieur. Une diminution ou une stabilité de la dette nette par habitant indique une stabilité ou une décroissance de l'endettement par personne. L'augmentation de la dette nette en 2011-2012 est principalement due aux investissements dans des immobilisations corporelles, notamment à la hausse des dépenses en matière d'infrastructures pour stimuler l'économie, ainsi qu'à l'augmentation des coûts liés aux inondations sans précédent de 2011. Les investissements continus de stimulation économique visant les infrastructures, dont la réparation des dommages causés par les inondations de 2011 et les mesures d'atténuation de l'impact des coûts liés à toute inondation future, ont eu pour résultat une augmentation par rapport à l'exercice 2010-2011. La dette nette pour la période 2011-2012 comprend une perte pour les autres éléments du résultat étendu par les entreprises publiques. Les autres éléments du résultat étendu représentent les profits ou pertes non réalisés calculés à un moment donné, et peuvent avoir des effets significatifs sur la mesure de la dette nette. Ils sont mesurés par rapport au changement dans les évaluations à la valeur de marché, dans les taux d'intérêts et dans les cours des devises étrangères en fin d'exercice, et donnent donc un aperçu ponctuel du changement des valeurs par rapport au même jour de l'année précédente.

Growth in GDP per capita must be taken into account to determine capacity to support debt. The GDP is a measure of the value of the goods and services produced in the Province during a given year. The GDP indicates the size of the provincial economy. The provincial economy grew steadily from $48,902 million in 2007/08 to $56,947 million in 2011/12 or by 16.5% during the five year period. During this period, the annual consumer price index fluctuated between 0.6% and 3.0%.

La croissance du PIB par habitant doit être prise en compte pour déterminer la capacité d'endettement. Le PIB est une mesure de la valeur des biens et des services produits dans la province au cours d'une année donnée. Il indique la taille de l'économie provinciale. L'économie provinciale a progressé de façon constante, passant de 48 902 millions de dollars en 2007-2008 à 56 947 millions de dollars en 2011-2012, ce qui représente une croissance de 16,5 % sur la période de cinq ans. Pendant cette période, l'indice annuel des prix à la consommation a oscillé entre 0,6 % et 3,0 %.

See page 56 for further analytical discussion on net debt.

Voir la page 56 pour une analyse complémentaire des questions entourant la dette nette.

Graph 1

Diagramme 1

Net Debt-to-Total Annual Revenue

Net debt is the amount that current and past generations have accumulated through annual losses and tangible capital investment. These amounts remain an obligation for future generations to fund through annual net income and annual amortization or to continue to carry as debt. It results when a government's total liabilities exceed total financial assets. A sustained trend of increasing net debt to total annual revenue would indicate that an increasing amount of time will be needed to eliminate net debt.

Since 2007/08 the net debt to total annual revenue has increased from 84.5% to 104.7%, reflecting the impact of the economic downturn and increased investments in tangible capital assets, including infrastructure stimulus spending. Graph 2 shows a fairly stable trend in the Government's ability to eliminate net debt. The change over time of the ratio of net debt to total annual revenue resulted from a combination of changes in net debt (see "Net debt and Accumulated Deficit" section on page 56 for annual changes) and a tightening of revenues (see "Revenue" on pages 48-49 for annual changes).

La dette nette en pourcentage des recettes annuelles totales

La dette nette correspond à la somme des pertes et des investissements en immobilisations corporelles accumulée d'exercice en exercice par les générations actuelles et passées. Cette somme est une dette que les générations futures doivent continuer à reporter ou financer à même les recettes nettes annuelles et les amortissements annuels. On obtient une dette nette lorsque le total des passifs d'un gouvernement excède le total de ses actifs financiers. Une tendance soutenue à l'augmentation de la dette nette par rapport aux recettes annuelles totales signifierait que de en plus de temps serait nécessaire à l'élimination de la dette nette.

Depuis 2007-2008, le ratio entre la dette nette et les recettes annuelles totales a augmenté, passant de 84,5 % à 104,7 %, sous l'effet du ralentissement économique et de l'accroissement des investissements dans les immobilisations corporelles, y compris les dépenses de stimulation dans l'infrastructure. Le Diagramme 2 indique une tendance plutôt stable dans la capacité du gouvernement d'éliminer la dette nette. La modification progressive du ratio entre la dette nette et les recettes annuelles totales est due à l'évolution du montant de la dette nette (voir « Dette nette et déficit accumulé » à la page 56 pour connaître les variations annuelles) et au resserrement des recettes (voir « Recettes » aux pages 48 - 49 pour connaître les variations annuelles).

Graph 2 **Diagramme 2**

Accumulated Deficit-to-Provincial GDP

The accumulated deficit is the sum of all annual surpluses and deficits incurred to date, calculated according to current accounting policies. The accumulated deficit includes other comprehensive income, which is excluded from the calculation of the annual net income or loss. Other comprehensive income represents certain unrealized gains and losses on financial instruments reported by GBEs and is required by CICA reporting standards. In accordance with recommendations of the Public Sector Accounting Standards Board (PSAB), other comprehensive income (loss) is not included in the Government's annual net operating results, but is instead recorded directly to the Province's statement of accumulated deficit. Other comprehensive income for 2011/12 was a negative $77 million (2010/11 - $142 million positive).

Graph 3 shows that the accumulated deficit-to-Provincial GDP ratio was on a downward trend resulting from a combination of declining accumulated deficits and increasing GDP. The accumulated deficit as at March 31, 2012 increased $750 million from 2007/08. Increases were primarily the result of recent losses incurred as a result of the global economic downturn and costs attributable to the unprecedented flood of 2011. The negative results incurred in the current year were

Le déficit accumulé en pourcentage du PIB provincial

Le déficit accumulé est la somme de tous les excédents et déficits accumulés d'exercice en exercice jusqu'à ce jour, obtenue d'après des calculs conformes aux méthodes comptables en vigueur. Il comprend les autres éléments du résultat étendu, qui sont exclus du calcul des recettes nettes ou des pertes nettes de l'exercice. Les autres éléments du résultat étendu représentent des gains ou des pertes non réalisés sur des instruments financiers enregistrés par les entreprises publiques, et sont requises par les normes de présentation de l'information de l'Institut canadien des comptables agréés (ICCA). Conformément aux recommandations du Conseil sur la comptabilité dans le secteur public (CCSP), les autres éléments du résultat étendu (gains ou pertes) ne sont pas compris dans les résultats nets des activités de l'exercice, mais sont plutôt inscrits directement dans l'état du déficit accumulé de la Province. Les autres éléments du résultat étendu en 2011-2012 représentent 77 millions de dollars de pertes (contre 142 millions de dollars de gains en 2010-2011).

Le graphique 3 montre que le ratio entre le déficit accumulé et le PIB provincial suivait une tendance à la baisse, grâce au recul du déficit accumulé et à la hausse du PIB. Au 31 mars 2012, le déficit accumulé avait augmenté de 750 millions de dollars par rapport à 2007-2008. Cette augmentation a été principalement due aux pertes récentes encourues à la suite du ralentissement économique mondial et aux coûts attribuables aux inondations sans précédent de 2011. Les résultats

offset by positive gains from 2007/08 through 2010/11.

négatifs obtenus au cours de l'exercice actuel ont été compensés par des profits de 2007-2008 à 2010-2011.

Graph 3

Diagramme 3

Annual Net Income (Loss)

The annual Net Income (Loss) shows the extent to which a government generates revenues more or less than its operating expenses in one fiscal year.

Annual net income helps the Government maintain its services and provides an opportunity to lessen its borrowing needs. The annual net loss for the year ended March 31, 2012 was $999 million.

See pages 48 - 49 for further analytical discussion on revenues.

Les recettes nettes (pertes nettes) annuelles

Les recettes (pertes) nettes montrent la mesure dans laquelle le gouvernement génère plus ou moins de recettes que ses dépenses de fonctionnement pendant un exercice financier.

Les recettes nettes annuelles aident le gouvernement à maintenir ses services et à réduire ses besoins en matière d'emprunts. Les pertes nettes de l'exercice qui s'est terminé le 31 mars 2012 s'élevaient à 999 millions de dollars.

Voir les pages 48 - 49 pour une analyse complémentaire des données sur les recettes.

Table 1 **Tableau 1**

($ millions)/ **(en millions de dollars)**	**2011/12 Actual/ Chiffres réels de 2011-2012**	**2010/11 Actual/ Chiffres réels de 2010-2011**	**2009/10 Actual/ Chiffres réels de 2009-2010**	**2008/09 Actual/ Chiffres réels de 2008-2009**	**2007/08 Actual/ Chiffres réels de 2007-2008**
	$	$	$	$	$
Revenue/Recettes	13,855	13,240	12,665	12,765	12,496
Total expenses/Dépenses totales	14,854	13,419	12,848	12,314	11,938
Summary Net Income (Loss)/Recettes (pertes) nettes sommaires	(999)	(179)	(183)	451	558
Annual Net Income (Loss) to Provincial GDP/Recettes (pertes) nettes en pourcentage du PIB provincial	(1.8)%	(0.3)%	(0.4)%	0.9%	1.1%

***Annual Net Income (Loss)-to-Provincial* GDP**

The ratio of Net Income (Loss) to Provincial GDP measures the difference between revenues and expenses expressed as a percentage of GDP.

Like many other provinces and the Government of Canada, with lingering effects from the global recession and the slowdown in the global recovery, coupled with the unprecedented costs associated with the 2011 flood, 2011/12 recorded a loss as shown in Table 1. Table 1 also shows positive results from 2007/08 to 2008/09. This overall trend indicates that the government can meet its financial obligations in a normal fiscal year.

See pages 46 and 47 for further analytical discussion on summary results.

Flexibility

Flexibility measures the degree to which a government can increase financial resources to respond to rising commitments either by expanding its revenue or by increasing its net debt.

PSAB has recommended a number of financial indicators that assess a government's flexibility. The following indicators are considered applicable to provide insight into the Manitoba Government's flexibility:

Les recettes nettes (pertes nettes) en pourcentage du PIB provincial

Le ratio entre les recettes nettes et le PIB provincial mesure la différence entre les recettes et les dépenses en pourcentage du PIB.

Comme pour beaucoup d'autres provinces et pour le gouvernement du Canada, les effets persistants de la récession mondiale et le ralentissement de la reprise au niveau international, auxquels se sont ajoutés les coûts sans précédent associés aux inondations de 2011, ont fait que la Province a connu des pertes en 2011-2012, comme cela est indiqué dans le tableau 1. Ce tableau montre aussi les résultats positifs obtenus de 2007-2008 à 2008-2009. Cette tendance globale indique que le gouvernement peut respecter ses obligations financières au cours d'un exercice normal.

Voir les pages 46 et 47 pour une analyse complémentaire des *résultats sommaires*.

Souplesse

La souplesse mesure la capacité d'un gouvernement d'augmenter ses ressources financières pour faire face à des engagements en accroissant ses recettes ou en augmentant sa dette nette.

Le Conseil sur la comptabilité dans le secteur public recommande l'usage de divers indicateurs financiers pour juger de la souplesse du gouvernement. Parmi ceux-ci, on considère que les indicateurs suivants aident à apprécier la souplesse du gouvernement du

- *Public Debt Charges to Total Revenue:* the extent to which borrowing decisions constrain a government's ability to meet financial and service commitments,

- *Own-source Revenue to Provincial GDP:* the extent to which a government is taking income out of the economy through taxation and user fees,

- *Annual Change to Net Book Value of Tangible Capital Assets:* the extent to which net changes in tangible capital assets affect future service potential; and

- *Net Book Value of Tangible Capital Assets to Cost of Tangible Capital Assets:* the extent to which the estimated useful lives of the Government's tangible capital assets are available to provide its products and services.

Manitoba:

- *les frais de la dette publique en pourcentage des recettes totales :* mesure dans laquelle les décisions en matière d'emprunts restreignent la capacité d'un gouvernement de faire face à ses engagements financiers et d'assurer la prestation des services prévus;

- *les recettes autonomes en pourcentage du PIB provincial :* mesure dans laquelle le gouvernement prélève des revenus dans l'économie sous forme d'impôts et de droits d'utilisation;

- *la variation annuelle de la valeur comptable nette des immobilisations corporelles :* mesure dans laquelle la variation nette des immobilisations corporelles touche le potentiel futur de services;

- *la valeur comptable nette des immobilisations corporelles en pourcentage de leur coût :* mesure dans laquelle la vie utile estimative des immobilisations corporelles d'un gouvernement lui permet de fournir des produits et des services.

Public Debt Charges to Total Revenue

The amount of public debt charges (interest costs) as a percentage of total revenue shows the extent to which a government must use revenue to pay for interest costs rather than to pay for services. The ratio shows how much of every dollar of a government's revenue is needed to pay interest. A lower ratio of interest costs as a percentage of revenue means a government uses a smaller proportion of its revenue to pay for interest costs. Graph 4 illustrates a downward trend.

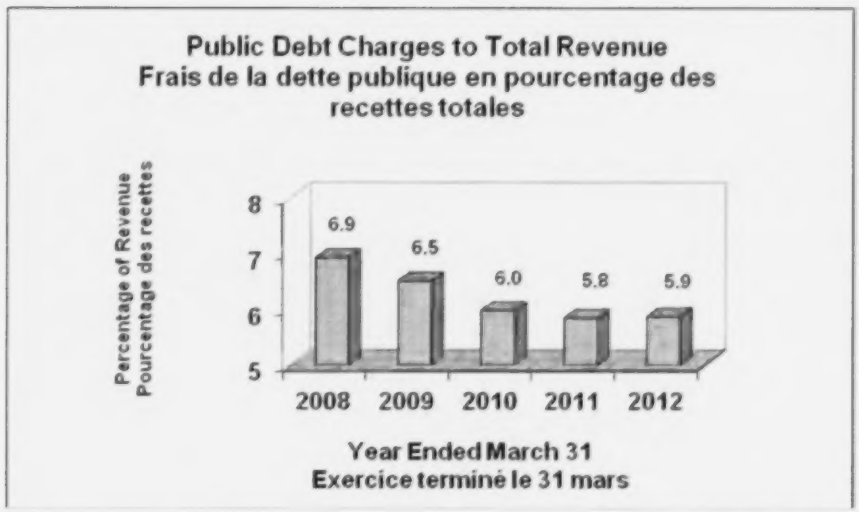
Graph 4 shows that in 2007/08, the Government used 6.9 cents of every dollar of its revenue to pay interest. In 2011/12, 5.9 cents of every dollar of revenue was used. Reductions in interest costs relative to increases in revenue have given the Government more resources to provide services.

Les frais de la dette publique en pourcentage des recettes totales

La somme des frais de la dette publique (frais d'intérêt) en pourcentage des recettes totales montre la mesure dans laquelle un gouvernement doit utiliser des recettes pour payer des frais d'intérêt plutôt que des services. Le ratio montre la proportion par dollar de recettes du gouvernement qui sert à payer les intérêts. Un faible ratio entre les frais d'intérêt et les recettes indique que le gouvernement consacre une faible part de ses recettes aux frais d'intérêt. Le diagramme 4 montre une tendance à la baisse.

Au diagramme 4, on observe qu'en 2007-2008, le gouvernement utilisait 6,9 cents par dollar de recettes pour assumer les frais d'intérêt. En 2011-2012, il a utilisé 5,9 cents par dollar de recettes pour la même fin. La réduction des frais d'intérêt relative à l'augmentation des recettes a fait en sorte que le gouvernement dispose de plus de ressources qu'avant pour la prestation de services, sans avoir à accroître ses recettes.

Graph 4 **Diagramme 4**



Own-Source Revenue to Provincial GDP

A government's own-source revenue as a percentage of provincial GDP shows how much revenue from the provincial economy a government can raise through taxation and user fees. High ratios or increases in ratios mean a government is placing higher demands on its provincial economy – indicating that its demands are outpacing growth in the economy.

From 2007/08, the pace of increases in the Government's own-source revenue (i.e., revenue raised from within the Province) has been increasing at varying rates (6.2% and 2.3%) from 2007/08-2008/09 respectively, with a modest decline of 2.2% in 2009/10 and increasing again in 2010/11 and 2011/12 by 5.5% and 5.1% respectively. During this same period, there have been varying increases in the size of the provincial economy (8.3% and 5.7%) from 2007/08 – 2008/09 respectively, offset by a slight decline of 0.2% in 2009/10, increasing again in 2010/11 and 2011/12 by 5.3% and 4.9% respectively. Overall, the Government has not significantly changed its demands on the provincial economy over this time period.

The own-source revenue total does not include the net income from GBEs as these entities operate outside of the Core Government operations, given the semi-autonomous nature of their operations. Their revenues are not derived from taxation or user fees, but from the supply of product or services.

Les recettes autonomes en pourcentage du PIB provincial

Les recettes autonomes en pourcentage du PIB provincial montrent la part de recettes que le gouvernement prélève de l'économie provinciale sous forme d'impôts et de droits d'utilisation. Des ratios élevés ou à la hausse signifient que le gouvernement augmente les pressions qui s'exercent sur l'économie provinciale, indiquant que ses besoins dépassent la croissance de l'économie.

Depuis 2007-2008, le rythme de l'augmentation des recettes autonomes du gouvernement (les recettes provenant de la Province même) a varié. Il était de 6,2 % en 2007-2008 et de 2,3 % en 2008-2009, suivi d'une petite baisse de 2,2 % en 2009-2010 et de nouvelles hausses de 5,5 % en 2010-2011 et de 5,1 % en 2011-2012 . Durant la même période, la taille de l'économie provinciale a augmenté de 8,3 % en 2007-2008 et de 5,7 % en 2008-2009, suivi d'une petite baisse de 0,2 % en 2009-2010 et de nouvelles augmentations de 5,3 % en 2010-2011 et de 4,9 % et 2011-2012 . Dans l'ensemble, le gouvernement n'a pas modifié de façon importante ses pressions sur l'économie provinciale pendant cette période.

Les recettes autonomes totales ne comprennent pas les bénéfices nets des entreprises publiques étant donné leur nature semi-autonome et le fait que les opérations de ces entités sont exclues des opérations fondamentales du gouvernement. Leurs recettes ne proviennent pas d'impôts ou de droits d'utilisation, mais de l'offre de produits ou de services.

Graph 5 shows the relationship between the ratios of own-source revenue to Provincial GDP. GDP increased from $48,902 million in 2007/08 to $56,947 million in 2011/12 or 16.5%. The rate of own–source revenues remained stable in relation to the economy from 16.3% of GDP in 2007/08 to 15.5% in 2011/12. Own-source revenues increased by $424 million or 5.1% from $8,386 million in 2010/11 to $8,810 million in 2011/12. The main contributors to the increase are as follows:

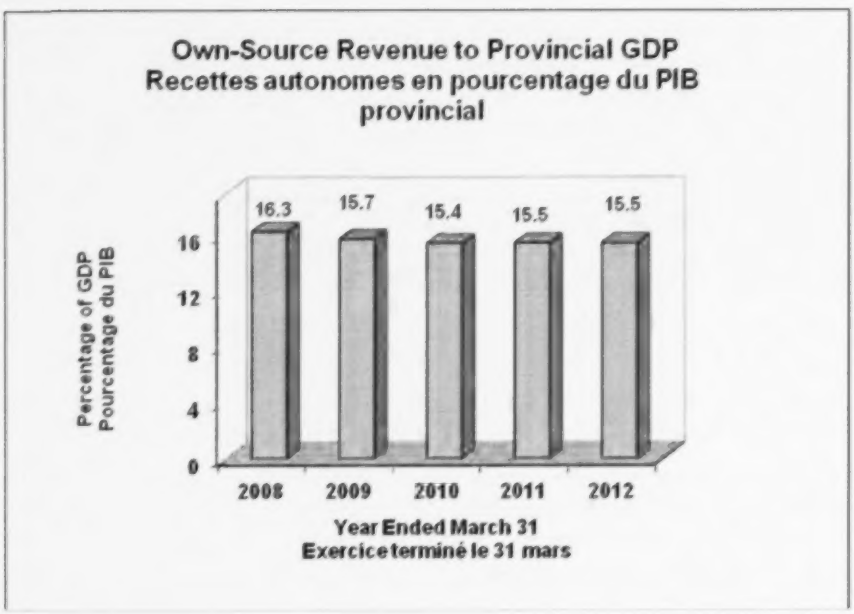
- Revenue from income taxes increased by $202 million, or 6.9%,
- Revenue from other taxes increased $125 million, or 3.7%, and
- Revenue from fees and other revenues increased by $78 million, or 4.3%;

Le diagramme 5 montre la relation entre les ratios des recettes autonomes par rapport au PIB provincial. Le PIB est passé de 48 902 millions de dollars en 2007-2008 à 56 947 millions de dollars en 2011-2012, enregistrant un bond de 16,5 %. Le taux des recettes autonomes est demeuré stable par rapport à l'économie. Il est passé de 16,3 % du PIB en 2007-2008 à 15,5 % en 2011-2012. Les recettes autonomes ont augmenté de 424 millions de dollars ou 5,1%, passant de 8 386 millions de dollars en 2010-2011 à 8 810 millions de dollars en 2011-2012. Les principaux facteurs de l'augmentation sont les suivants :

- l'impôts sur le revenu sont accrues de 202 millions de dollars, ou 6.9%;
- les recettes tirées d'autres taxes et impôts se sont accrues de 125 millions de dollars, ou 3,7 %;
- les droits perçus et autres recettes se sont accrus de 78 millions de dollars, ou 4,3 %;

Graph 5

Diagramme 5



Annual Change to Net Book Value of Tangible Capital Assets

Tangible capital assets (TCAs) such as buildings, equipment, roads, and dams are essential for the economy and for delivering government services.

The annual percentage change in the net book value of tangible capital assets measures the extent to which a government is maintaining or failing to maintain the tangible capital assets it needs to deliver its services. An increase means a government has spent more on these assets than it has reduced their value because of age and use (commonly called amortization or depreciation).

Continual increases in the net book value of tangible capital assets may indicate that a government is maintaining or enhancing its tangible capital asset base which may lead to lower future maintenance or replacement costs because of decreased deterioration. As such, investing in TCAs can result in better financial results in future periods, which will not adversely influence service delivery and lead to decreased financial burdens on taxpayers in the future.

Recognizing the growing infrastructure needs in various sectors and the need to stimulate the economy, the Government is investing in public capital assets such as new or renewed hospitals, universities and colleges, the Red River Floodway Expansion project and Manitoba's highway system. In 2011/12, $1,441 million was invested on new tangible capital assets, $55 million of existing tangible capital assets were either disposed of or written down to correctly reflect their value, and the net book value of all tangible capital assets was reduced by $476 million to account for annual amortization. The Government held significant tangible capital assets with a net book value of $9,097 million at March 31, 2012.

See pages 58 - 60 for further analytical discussion on tangible capital assets.

La variation annuelle de la valeur comptable nette des immobilisations corporelles

Les immobilisations corporelles, comme les immeubles, l'équipement, les routes et les barrages, sont essentielles à l'économie et à la prestation des services publics.

La variation annuelle en pourcentage de la valeur comptable nette des immobilisations corporelles indique la mesure dans laquelle un gouvernement entretient ou omet d'entretenir les immobilisations corporelles dont il a besoin pour fournir ses services. Une hausse signifie que le gouvernement a investi plus dans ses actifs que la valeur perdue par ceux-ci en raison de l'âge et de l'usure (appelée communément amortissement ou dépréciation).

La hausse continuelle de la valeur comptable nette des immobilisations corporelles peut indiquer qu'un gouvernement entretient ou améliore l'ensemble de ces immobilisations, mais peut entraîner aussi une réduction des coûts d'entretien et de remplacement en raison d'une détérioration moindre. Ainsi, le fait d'investir dans l'entretien des immobilisations peut mener à de meilleurs résultats financiers dans l'avenir, ce qui ne nuit pas à la prestation des services en plus d'entraîner une réduction du fardeau financier des contribuables.

Étant conscient des besoins croissants en matière d'infrastructure dans divers secteurs ainsi que de la nécessité de stimuler l'économie, le gouvernement investit dans des immobilisations publiques à venir ou existantes comme des hôpitaux, des universités et des collèges, le Projet d'agrandissement du canal de dérivation de la rivière Rouge et le réseau routier du Manitoba. En 2011-2012, on a investi 1 441 millions de dollars dans de nouvelles acquisitions d'immobilisations corporelles, déduit 55 millions de dollars des immobilisations corporelles existantes pour les rendre plus conformes à leur valeur réelle, et réduit de 476 millions de dollars la valeur comptable nette de toutes les immobilisations corporelles de façon à tenir compte de l'amortissement annuel. La valeur réelle nette des immobilisations corporelles du gouvernement s'élevait à plus de 9 097 millions de dollars le 31 mars 2012.

Voir les pages 58 à 60 pour une analyse complémentaire des données sur les immobilisations corporelles.

Net Book Value of Tangible Capital Assets-to-Cost of Tangible Capital Assets

The ratio of the net book value of tangible capital assets to the cost of tangible capital assets is important because it illustrates the relationship of the estimated useful life of government assets that is available to provide future service.

Graph 6 shows that the Government has been consistent in its management of capital to deliver services. The annual total tangible capital cost increased $1,331 million from $14,187 million in 2010/11 to $15,518 million in 2011/12. The total cost of assets under construction, including infrastructure, as at March 31, 2012 is $1,184 million (2010/11- $1,614 million). Assets under construction are not depreciated (amortized) until they are put into service. The $1,184 million includes spending of $843 million in buildings and leasehold improvements and $341 million for infrastructure projects such as road grading and surfacing and a number of bridge and structure projects. (See pages 58 - 60 for further analysis and discussion on tangible capital assets).

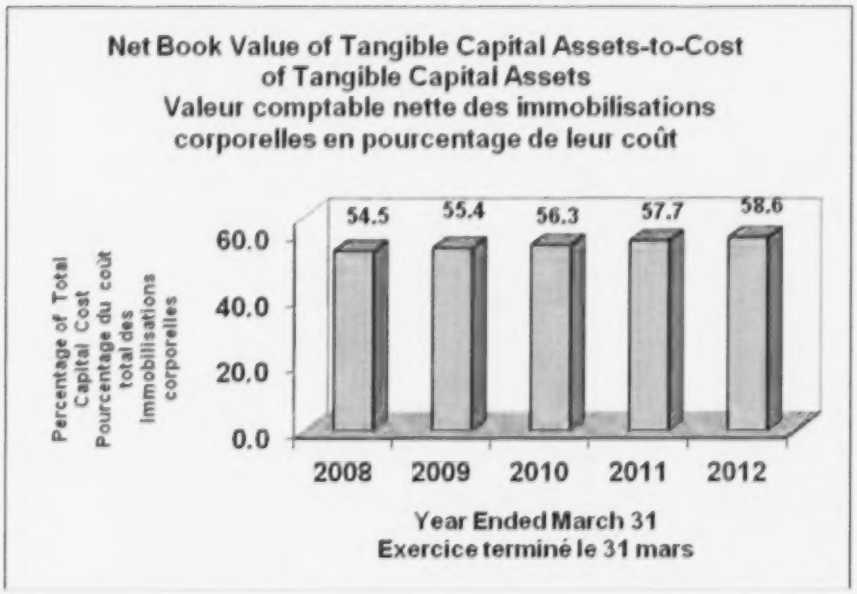
La valeur comptable nette des immobilisations corporelles en pourcentage de leur coût

Le ratio entre la valeur comptable nette des immobilisations corporelles et leur coût est très utile, car il est associé à la vie utile estimative des immobilisations corporelles dont le gouvernement disposera pour fournir des produits et des services.

Le diagramme 6 montre que le gouvernement a maintenu de façon constante les immobilisations utiles à sa prestation de services. Le coût global annuel des immobilisations corporelles a augmenté de 1 331 millions de dollars, passant de 14 187 millions de dollars en 2010-2011 à 15 518 millions de dollars en 2011-2012. Au 31 mars 2012, le coût global des immobilisations en chantier y compris les infrastructures, était de 1 184 millions de dollars (contre 1 614 millions de dollars en 2010-2011). Les immobilisations en chantier ne sont pas amorties avant le début de leur utilisation. Les 1 184 millions de dollars comprennent 843 millions de dépenses consacrées à la construction de bâtiments et à des améliorations locatives, ainsi que 341 millions de dollars consacrés aux projets d'infrastructure comme le nivellement et le surfaçage des routes, et plusieurs projets de ponts et autres ouvrages. (Voir les pages 58 et 60 pour une analyse et une discussion complémentaires au sujet des données sur les immobilisations corporelles.)

Graph 6

Diagramme 6



Vulnerability

Vulnerability is the degree to which a government is dependent upon, and therefore, vulnerable to sources of revenue outside of its direct control or influence. A high degree of dependency may indicate a government is reliant on outside sources of financing to deliver programs and services at the current level and quality. However, outside sources of financing when applied to capital projects and other one-time or non-operational programs may not materially increase a government's revenue vulnerability.

Recommended indicators for providing insight into the Government's vulnerability include:

- *Federal Transfers to Own-Source Revenue,*
- *Federal Transfers to Total Revenues, and*
- *Foreign Currency Debt to Net Debt.*

Revenue from Federal Government Transfers

Transfers from the Government of Canada are a significant source of revenue for Manitoba, accounting for about 31.3 per cent of total summary provincial revenues in 2011/12. As a result, the province's fiscal position is somewhat vulnerable, at least in the short term, to material reductions in federal transfers.

Major federal transfers include Equalization (an unconditional grant to receiving provinces), the Canada Health Transfer (a block transfer in support of health care services) and the Canada Social Transfer (a block transfer in support of post-secondary education, social assistance and social services, including early childhood development and early learning and child care).

The Equalization program is the Government of Canada main transfer program for addressing fiscal disparities (differences in revenue-raising capacity) among provinces. It was entrenched in Canada's Constitution in 1982. Equalization payments are intended to make it possible for receiving provinces to provide their residents with public services that are reasonably comparable to those in other provinces, at reasonably comparable

Vulnérabilité

La vulnérabilité correspond au degré d'autonomie du gouvernement, et donc de vulnérabilité, par rapport aux sources de recettes qui ne dépendent pas directement de lui ni de son influence. Un degré de dépendance élevé peut indiquer qu'un gouvernement compte sur des sources de financement externes pour offrir la même gamme et qualité de programmes et services. Cependant, des sources extérieures de financement affectées aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement la vulnérabilité d'un gouvernement envers les sources de revenu.

Les indicateurs recommandés pour apprécier la vulnérabilité du gouvernement comprennent :

- *les transferts fédéraux en pourcentage des recettes autonomes;*
- *les transferts fédéraux en pourcentage des recettes totales;*
- *la dette en devises en pourcentage de la dette nette.*

Les recettes provenant des transferts du gouvernement fédéral

Les transferts du gouvernement du Canada constituent une source de revenus importante pour le Manitoba, représentant environ 31,3 % du total des recettes sommaires provinciales en 2011-2012. De ce fait, la province est dans une situation financière quelque peu vulnérable aux réductions matérielles des transferts fédéraux, au moins sur le court terme.

Les principaux transferts fédéraux comprennent les Transferts de péréquation (une subvention inconditionnelle aux provinces bénéficiaires), le Transfert canadien en matière de santé (un transfert global visant le financement des soins de santé) et le Transfert canadien en matière de programmes sociaux (financement global pour les études postsecondaires, l'aide sociale et les services sociaux, y compris le développement, l'apprentissage et la garde des jeunes enfants).

Le Programme de péréquation est le principal programme de transfert du gouvernement canadien conçu pour aplanir les disparités fiscales (les différences dans la capacité des provinces de générer des revenus) entre les provinces. Il a été inscrit dans la Constitution du Canada en 1982. L'objectif des paiements de péréquation est de permettre aux gouvernements provinciaux bénéficiaires de fournir à leurs résidents des

levels of taxation.

Manitoba received $1,942 million in Equalization in 2011/12, including $275.8 million in federal Total Transfer Protection payments. Equalization accounted for about 14 per cent of total 2011/12 summary provincial revenues.

The Canada Health Transfer (CHT) and Canada Social Transfer (CST) are set in legislation up to 2013/14 and, together with their respective 6 and 3 per cent annual automatic escalators, help ensure stable and predictable federal support over the medium-term. Total CHT support is allocated using a formula that takes into account population and the value of transferred tax points while the CST has been allocated on an equal per capita cash basis since 2007/08.

Manitoba received $1,426 million in combined CHT and CST revenues in 2011/12, or about 10 per cent of total provincial summary revenues. Increases in annual CHT support reflect the 10-Year Plan to Strengthen Health Care agreement, signed by all First Ministers in 2004, that resulted in $41 billion in new federal funding over 10 years (2004/05 to 2013/14).

Long-term and growing federal support through the CHT and CST contributes to national objectives by helping ensure provinces and territories have the resources they need to provide essential services in areas such as health care, post-secondary education (PSE), child programming and social services.

The current outlook for transfers from the Government of Canada is based on existing federal-provincial-territorial funding arrangements. While the province has no direct control over the amount it receives each year, it does have some opportunity to influence the framework and direction of fiscal transfers through consultations with the Government of Canada.

See page 48 for a review of federal transfers from 2007/08 to 2011/12.

services publics sensiblement comparables à ceux offerts dans d'autres provinces à des taux d'imposition sensiblement comparables.

En 2011-2012, le Manitoba a reçu 1,942 millions de dollars en paiements de péréquation, dont 275,8 millions de dollars en paiements de protection sur les transferts fédéraux totaux. Les paiements de péréquation représentaient environ 14 % du total des recettes sommaires en 2011-2012.

Le Transfert canadien en matière de santé (TCS) et le Transfert canadien en matière de programmes sociaux (TCPS) sont inscrits dans la loi jusqu'en 2013-2014. Leurs niveaux, qui augmenteront au moyen des facteurs de progression annuelle de 6 % et de 3 % respectivement, aident à garantir un appui fédéral stable et prévisible à moyen terme. Les paiements de transfert du TCS sont alloués selon un montant égal par habitant et comprennent la valeur des transferts et de points d'impôts, tandis que le TCPS est calculé selon un montant égal par habitant depuis 2007-2008.

En 2011-2012, le Manitoba a reçu 1,426 millions de dollars en paiements combinés du TCS et du TCPS, ce qui représentait environ 10 % du total des recettes sommaires provinciales. Les augmentations du financement annuel du TCS reflètent les dispositions du Plan décennal pour consolider les soins de santé, adopté par les premiers ministres en septembre 2004, par lequel le gouvernement fédéral s'est engagé à verser 41 milliards de dollars en nouveaux fonds aux provinces et aux territoires pendant une période de dix ans (de 2004-2005 à 2013-2014).

Le soutien croissant et à long terme du gouvernement fédéral dans le cadre du TCS et du TCPS va dans le sens des objectifs nationaux en aidant les provinces et les territoires à obtenir les ressources qu'il leur faut pour assurer des services essentiels dans des domaines tels que les soins de santé, l'enseignement postsecondaire, les programmes destinés aux enfants et les services sociaux.

Les perspectives actuelles d'évolution des transferts du gouvernement canadien sont fondées sur les modalités du financement fédéral-provincial-territorial existantes. Bien que la Province n'exerce pas de contrôle direct sur le montant qu'elle reçoit chaque année, elle a tout de même une certaine influence sur les grandes lignes et l'orientation des transferts fiscaux dans le cadre de ses consultations avec le gouvernement du Canada.

Voir la page 48 pour une analyse des transferts fédéraux de 2007-2008 à 2011-2012.

Federal Transfers to Own-Source Revenue

Federal transfers as a percentage of own-source revenue measures the extent to which a province raises its own revenue from within the province as compared to the amount it receives money from the Government of Canada. A high percentage may indicate a provincial government relies a great deal on federal transfers to operate. However, where federal funds are applied to capital projects, one-time programs or used for other non-operational purposes, reliance may not be substantially increased.

An increase in a province's own-source revenue generally makes it less vulnerable to unanticipated changes in levels of federal transfers. It also enhances its ability to fund provincial programs, invest in infrastructure, and to continue to fully fund programs initiated with federal one-time transfers once federal funding has ceased. It should be noted that the ratio of federal transfers to own-source revenue may vary from year to year as a result of increases or decreases in a government's own-source revenue.

Federal transfers as a percentage of Manitoba's own-source revenue have remained generally constant over the last five years. Transfers increased in 2011/12 by $285 million, made up of $61 million in increased health and social transfers, decreased Equalization of $59 million and an increase of $283 million from shared cost agreements. Shared cost agreements included $10 million related to the Red River Floodway Expansion project and new programs, such as the infrastructure renewal funding in the amount of $50 million. The largest increase in shared cost related to disaster financial assistance recoveries of $470 million as a result of the 2011 flood.

See pages 48 - 49 for an analysis of own-source revenues.

Les transferts fédéraux en pourcentage des recettes autonomes

Le ratio entre les transferts fédéraux et les recettes autonomes établit le rapport entre les fonds versés par le gouvernement du Canada et la mesure dans laquelle le gouvernement provincial génère ses propres recettes dans la province. Un pourcentage élevé peut indiquer que le gouvernement provincial dépend beaucoup des transferts fédéraux pour mener ses activités. Cependant, les fonds fédéraux affectés aux projets d'immobilisation et à d'autres programmes non récurrents ou qui ne sont pas liés au fonctionnement n'augmentent pas nécessairement cette dépendance de façon significative.

Une augmentation des recettes autonomes de la Province la rend habituellement moins vulnérable aux changements imprévus touchant les niveaux de transferts fédéraux. Elle augmente aussi sa capacité de financer les programmes provinciaux, d'investir dans l'infrastructure et de continuer à financer pleinement les programmes lancés grâce à des transferts fédéraux non récurrents lorsque le financement fédéral prend fin. . Il convient de noter que le ratio entre les transferts fédéraux et les recettes autonomes peut varier d'un exercice à l'autre à la suite de l'augmentation ou de la diminution des recettes autonomes du gouvernement.

Le montant des transferts fédéraux en pourcentage des recettes autonomes du Manitoba est demeuré généralement stable au cours des cinq dernières années. En 2011-2012, les transferts ont augmenté de 285 millions de dollars. Ces transferts comptaient une augmentation de 61 millions des transferts en matière de santé et de programmes sociaux, une baisse de la péréquation de 59 millions de dollars et une augmentation de 283 millions de dollars dans le cadre des ententes relatives aux frais partagés. Les ententes relatives aux frais partagés prévoyaient 10 millions de dollars pour le projet d'agrandissement du canal de dérivation de la rivière Rouge ainsi que du financement pour de nouveaux programmes, notamment 50 millions de dollars alloués au renouvellement de certaines infrastructures. La plus grande augmentation en matière de frais partagés était liée aux recouvrements de l'aide financière aux sinistrés à la suite des inondations de 2011, qui s'élevait à 470 millions de dollars.

Voir les pages 48 - 49 pour une analyse complémentaire des données sur les recettes autonomes.

Federal Transfers to Total Revenues

The ratio of federal transfers to total revenue indicates the vulnerability of provinces to changes in transfer support from the Government of Canada.

As can be seen from Graph 7, the ratio of federal transfers to total provincial revenue remained fairly constant from 2007/08 to 2011/12, demonstrating that Manitoba's vulnerability to changes in Federal transfer support has not materially changed over the past five years.

Les transferts fédéraux en pourcentage des recettes totales

Le ratio entre les transferts fédéraux et les recettes totales indique la vulnérabilité des provinces aux variations dans les transferts en provenance du gouvernement du Canada.

Comme on peut le voir sur le Diagramme 7, le ratio entre les transferts fédéraux et le total des recettes provinciales est resté relativement stable entre 2007-2008 à 2011-2012. Cela montre que la vulnérabilité du Manitoba par rapport aux changements relatifs aux transferts fédéraux n'a guère varié depuis cinq ans.

Graph 7

Diagramme 7

Foreign Currency Debt-to-Net Debt

The ratio of foreign currency debt to net debt for 2011/12 is zero because the foreign exchange risk is considered to be fully hedged through the use of derivative instruments such as swaps, forward foreign exchange contracts, as well as future U.S. dollar revenue streams and U.S. dollar sinking funds. In 1999, foreign currency exposure was approximately 19% of the core Government debt. The amount of foreign currency debt outstanding at March 31, 2012 is $6,887 million (2011 - $6,172 million), both of which were fully hedged. Decreasing the ratio of foreign currency debt to net Government debt through hedging activities mitigates the risk of debt servicing costs rising due to changes in foreign currency rates and improves the Province's financial position.

La dette en devises en pourcentage de la dette nette

Le ratio entre la dette en devises et la dette nette pour 2011-2012 est fixé à zéro, car le risque de change est considéré comme entièrement couvert par l'usage d'instruments dérivés, comme les swaps, les contrats de change à terme, ainsi que par les flux de rentrées de dollars US à venir et les fonds d'amortissement en dollars US. En 1999, le risque de change représentait environ 19 % de la dette générale du gouvernement. Le montant de la dette en devises au 31 mars 2012 était de 6 887 millions de dollars, contre 6 172 millions de dollars en 2011, et le risque était complètement couvert les deux exercices. La diminution du ratio entre la dette en devises et la dette nette du gouvernement grâce aux activités de couverture atténue le risque d'une hausse des frais de service de la dette en raison des variations dans le cours de monnaies et améliore la situation financière de la province.

RISKS AND UNCERTAINTIES

The Government's main exposure to risks and uncertainties arises from variables which it does not directly control. These include:

- Economic factors such as commodity prices, personal income, retail sales, and population growth,
- Adverse events or unusual weather patterns that can influence overall annual results,
- Outcomes from litigation, arbitration and negotiations with third parties,
- Changes in federal transfers,
- Utilization rates for Government services such as health care, children and family services, or employment assistance,
- Exposure to interest rate fluctuations, foreign exchange rates and credit risk,
- Changes in Canadian and International accounting standards,
- Identification and quantification of environmental liabilities,
- Volatility of results including amounts consolidated from other reporting entities.

LES RISQUES ET LES INCERTITUDES

La principale exposition du gouvernement aux risques et aux incertitudes résulte de variables qui ne dépendent pas directement de lui. Ces variables sont entre autres :

- des facteurs économiques, comme le cours des matières premières, le revenu des particuliers, les ventes au détail et l'expansion de la population;
- des événements néfastes ou des régimes climatiques inhabituels qui peuvent influer sur les résultats annuels d'ensemble;
- les résultats de procès, d'arbitrages ou de négociations avec des tiers;
- les modifications des transferts fédéraux;
- les taux d'utilisation des services du gouvernement, comme les soins de santé, les services à l'enfant et à la famille et l'aide à l'emploi;
- l'exposition aux fluctuations des taux d'intérêt, aux taux de change et au risque de crédit;
- les modifications des principes comptables au Canada et à l'échelle internationale;
- la détermination et la quantification du passif environnemental;
- la volatilité des résultats, y compris les résultats consolidés d'autres entités comptables.

VARIANCE ANALYSIS AND ASSESSMENT OF SIGNIFICANT TRENDS/ ANALYSE DES ÉCARTS ET DES PRINCIPALES TENDANCES

Summary Net Income (Loss)/
Recettes (pertes) nettes sommaires

($ millions)/ (en millions de dollars)				Variance/Écart	
Revenue and Expense Items/ Éléments des recettes et des dépenses	**2011/12** Budget/ Budget de 2011-2012	**2011/12** Actual/ Chiffres réels de 2011-2012	**2010/11** Actual/ Chiffres réels de 2010-2011	**2011/12** vs **2010/11**/ Chiffres réels de 2011-2012 et de 2010-2011	**2011/12** Actual to Budget/ Chiffres réels et budget de 2011-2012
	$	$	$	$	$
Revenue/Recettes					
Income Taxes/Impôts	3,148	3,124	2,922	202	(24)
Other Taxes/Autres taxes	3,510	3,531	3,406	125	21
Fees and Other Revenue/Droits et autres recettes	1,771	1,906	1,828	78	135
Sinking Funds and Other Earnings/ Fonds d'amortissement et autres revenus	239	249	230	19	10
Total Own-Source Revenue/Total des recettes autonomes	8,668	8,810	8,386	424	142
Government Business Enterprises/ Entreprises publiques	781	713	807	(94)	(68)
Federal Government Transfers/ Transferts fédéraux	3,972	4,332	4,047	285	360
Total revenue/ Recettes totales	**13,421**	**13,855**	**13,240**	**615**	**434**
Expenses/Dépenses					
Health and Healthy Living /Santé et Vie saine	5,361	5,328	5,044	284	(33)
Education/Éducation	3,561	3,489	3,330	159	(72)
Family Services/ Services à la famille	1,017	1,013	978	35	(4)
Community, Economic and Resource Development/ Développement des communautés, de l'économie et des ressources	2,340	2,771	2,400	371	431
Justice and Other Expenditures/ Justice et autres dépenses	774	1,438	894	544	664
Debt Servicing/Service de la dette	806	815	773	42	9
Total expenses/ Dépenses totales	**13,859**	**14,854**	**13,419**	**1,435**	**995**
Summary Net Income (Loss) /Recettes (pertes) nettes sommaires	**(438)**	**(999)**	**(179)**	**(820)**	**(561)**

The summary net income is the net financial result of the year's operations. The Government ended the year with a net loss of $999 million, which is $561 million higher than the budgeted net loss of $438 million. In 2011/12, total revenues were $13,855 million and total expenses were $14,854 million.

The most significant factors that impacted changes in summary results from budget were:

- A decrease of $68 million in the net income from GBEs primarily due to poorer than anticipated results from Manitoba Hydro-Electric Board,
- Increases in fees and other revenue of $135 million, primarily the result of higher than forecast third party fees recovered by Crown organizations,
- Increased Federal transfers of $360 million primarily related to the impact of recoveries on 2011 flood related expenditures and the timing of shared cost programs,
- A significant portion of the increases in expenses related to the costs associated with 2011 flooding and excess moisture. In addition, expenses in general are up due to increasing demands on resources.

Additional variance analysis on the changes in revenues and expenses between 2011/12 and 2010/11 is included in later sections of this report.

Les recettes nettes sommaires sont le résultat financier net des opérations de l'exercice. À la fin de l'exercice, la Province affichait une perte nette de 999 millions de dollars, soit 561 millions de dollars de plus que les pertes nettes de 438 millions de dollars prévues dans le budget. En 2011-2012, les recettes totales ont atteint 13 855 millions de dollars, et les dépenses totales se sont élevées à 14 854 millions de dollars.

Les principaux facteurs de l'écart entre les résultats sommaires et les prévisions sont les suivants :

- une baisse de 68 millions de dollars du revenu net des entreprises publiques, principalement due aux résultats de Manitoba Hydro, moins bons que prévus;
- une augmentation des frais et des autres recettes à hauteur de 135 millions de dollars, principalement attribuables aux droits de tiers plus élevés que prévus recouverts par des organisations de la Couronne;
- une augmentation des transferts fédéraux à hauteur de 360 millions de dollars, principalement liée aux effets des recouvrements des dépenses causées par les inondations de 2011 et au calendrier des programmes à frais partagés;
- une grande partie de l'augmentation des dépenses liées aux coûts des inondations et les pluies excessives de 2011; et une hausse des dépenses en général étant donné la demande accrue de ressources.

D'autres analyses des écarts concernant la variation des recettes et des dépenses de 2011-2012 et de 2010-2011 sont présentées plus loin dans le présent rapport.

Revenue

Revenue trend analysis provides users with information about significant changes in revenue over time and between sources, enabling users to evaluate past performance and assess potential implications for the future.

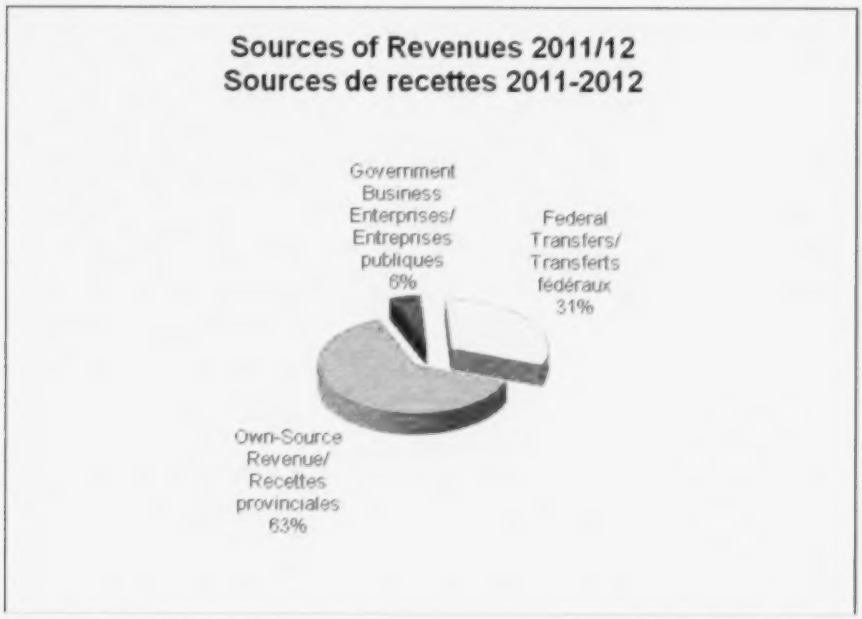
Recettes

L'analyse de la tendance des recettes renseigne les lecteurs sur les principales variations dans les recettes selon les exercices et les sources, et leur permet d'évaluer la performance passée et les possibles implications dans l'avenir.

($ millions)/ (en millions de dollars)	**2011/12** Actual/ Chiffres réels de 2011-2012	**2010/11** Actual/ Chiffres réels de 2010-2011	**2009/10** Actual/ Chiffres réels de 2009-2010	**2008/09** Actual/ Chiffres réels de 2008-2009	**2007/08** Actual/ Chiffres réels de 2007-2008
Revenue Source/ Source de recettes					
	$	$	$	$	$
Income taxes/Impôts	3,124	2,922	2,659	2,841	2,652
Retail sales tax/ Taxe sur les ventes au détail	1,702	1,618	1,570	1,569	1,473
Education property tax/ Impôts fonciers en matière d'éducation	691	690	668	657	646
Mining and other taxes/ Taxe minière et autres taxes	577	573	524	536	580
Levy for health and education/Impôt destiné à l'enseignement et aux services de santé	292	269	264	261	341
Fuel taxes/Taxes sur les carburants	269	256	255	253	248
Fees and other revenue/Droits et autres recettes	1,906	1,828	1,792	1,722	1,628
Sinking fund and other investment earnings/Fonds d'amortissement et autres revenus de placement	249	230	220	296	384
Net income from government business enterprises/Recettes nettes des entreprises publiques	713	807	789	764	947
Federal transfers/Transferts fédéraux	4,332	4,047	3,924	3,866	3,597
Total Revenue/ Recettes totales	**13,855**	**13,240**	**12,665**	**12,765**	**12,496**

The Government's main revenue sources for 2011/12 are identified in the following chart.

Les principales sources de recettes du gouvernement pour 2011-2012 figurent dans le diagramme qui suit.


Sources of Revenues 2011/12
Sources de recettes 2011-2012
Government Business Enterprises/ Entreprises publiques 6%
Federal Transfers/ Transferts fédéraux 31%
Own-Source Revenue/ Recettes provinciales 63%

Total revenue in 2011/12 was $13,855 million, an increase of 4.6% from 2010/11, as a result of the following:

- Income taxes were $202 million (6.9%) higher due to continued recovery from the economic weakness experienced in 2009/10,
- Retail sales tax revenue increased $84 million (5.2%) on improvements to the provincial economy
- Fees and other revenue increased by $78 million (4.3%) due to increases in third party recoveries by Crown organizations resulting from increased program activity, and
- Federal transfers were $285 million (7.0%) higher resulting from increases in Canada Health Transfers ($61 million), declines in equalization ($59 million) and increases in shared cost revenue ($283 million).

Les recettes totales en 2011-2012 ont atteint 13 855 millions de dollars, ce qui représente un bond de 4,6% par rapport à 2010-2011. Ce bond est attribuable aux faits suivants :

- l'impôt sur le revenu a augmenté de 202 millions de dollars (6,9 %) en raison d'un redressement continu après la faiblesse économique de 2009-2010;
- les recettes tirées de la taxe sur les ventes au détail ont augmenté de 84 millions de dollars (5,2 %), en raison de l'amélioration de l'économie provinciale;
- les droits et les autres recettes se sont accrus de 78 millions de dollars (4,3 %) en raison de l'augmentation des recouvrements de tiers par des organisations de la Couronne, attribuable à la hausse de l'activité des programmes;
- les transferts fédéraux comptaient 285 millions de dollars de plus (7,0 %) en raison de l'augmentation des Transferts canadiens en matière de santé (61 millions de dollars), de la baisse des paiements de péréquation (59 millions de dollars) et de la hausse des recettes provenant du partage des frais (283 millions de dollars).

The revenue to GDP ratio at March 31, 2012 was 24.3%, consistent with the ratio of 24.4% as at March 31, 2011.

Au 31 mars 2012, le ratio entre les recettes et le PIB était de 24,3 %, égal à celui établi au 31 mars 2011.

Expenses

Analysis of expenses helps users understand the impact of the Government's spending on the economy, the Government's overall allocation and use of resources, and the cost of Government programs.

Dépenses

L'analyse des dépenses aide les lecteurs à comprendre l'incidence des dépenses du gouvernement sur l'économie, la répartition de l'ensemble de ses recettes et l'usage des ressources, ainsi que le coût des programmes du gouvernement.

Expense by Function

Expense by function provides a summary of the major areas of Government spending, and changes in spending over time.

Dépenses par fonction

Les dépenses par fonction présentent le sommaire des principaux secteurs de dépenses du gouvernement et l'évolution dans les dépenses au fil des ans.

($ millions)/ (en millions de dollars)	**2011/12** Actual/ Chiffres réels de 2011-2012	**2010/11** Actual/ Chiffres réels de 2010-2011	**2009/10** Actual/ Chiffres réels de 2009-2010	**2008/09** Actual/ Chiffres réels de 2008-2009	**2007/08** Actual/ Chiffres réels de 2007-2008
Expense by Function/ Dépenses par fonction	$	$	$	$	$
Health and Healthy Living/Santé et Vie saine	5,328	5,044	4,831	4,590	4,232
Education/Éducation	3,489	3,330	3,227	3,091	3,224
Family Services/Services à la famille	1,013	978	1,295	1,192	1,224
Community, Economic and Resource Development/Développement des communautés, de l'économie et des ressources	2.771	2,400	1,813	1,729	1,420
Justice and Other Expenditures/Justice et autres dépenses	1,438	894	926	882	974
Debt servicing/ Service de la dette	815	773	756	830	864
Total Expenses by Function/Dépenses totales	**14,854**	**13,419**	**12,848**	**12,314**	**11,938**

The sources of expenses have remained consistent with the prior year, with general increases (excluding those expenditures related to flooding and excess moisture in 2011) in line with those experienced in previous years. The health and education sectors making up 59.4% of total expenses (62.4% in 2010/11).

Les sources de dépenses ont suivi la tendance de l'exercice précédent, et les augmentations générales (à part les dépenses liées aux inondations et pluies excessives de 2011) ont été conformes à celles des exercices précédents. Les secteurs de la santé et de l'éducation représentent 59,4 % des dépenses totales (contre 62,4 % en 2010-2011).

Total expenses in 2011/12 were $14,854 million, an increase of 10.7% from 2010/11, as a result of the following:

Les dépenses totales en 2011-2012 ont atteint 14 854 millions de dollars, ce qui représente une augmentation de 10,7 % par rapport à 2010-2011, attribuable aux faits suivants:

- Health expenses increased 5.6% primarily due to inflationary increases in funding to Regional Health Authorities,

- Education expenses increased 4.8% from the prior year reflecting increased program expenditures,

- Family Services expenses remain relatively consistent with those of the previous year,

- Community, Economic and Resource Development expenses increased 15.5% primarily due to increases in agricultural support programs, primarily related to 2011 flooding and excess moisture conditions, and

- Justice and Other Expenditures increased 60.9% as a result of costs incurred to mitigate damages incurred in the 2011 Flooding.

- les dépenses de santé ont augmenté de 5,6 %, principalement à cause des augmentations inflationnistes du financement des offices régionaux de la santé;

- les dépens es d' éducation se sont accrues de 4,8 % par r apport à l'ex ercice pr écédent, en raison d'une augm entation des dépens es de programmes;

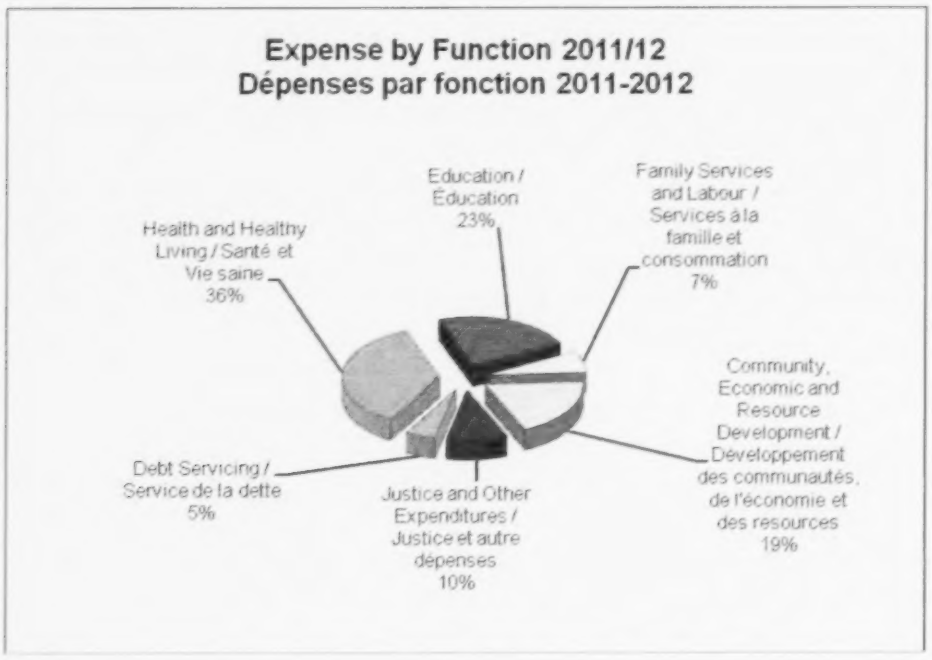
- les dépenses du ministère des Services à la famille ont été relativement comparables à celles de l'exercice précédent;

- les dépenses pour le développement des communautés, de l'économie et des ressources ont connu une hausse de 15,5 %, principalement en raison de l'accroissement des programmes de s outien à l'agr iculture à la s uite des inondations et pluies excessives de 2011;

- les dépenses du ministère de la Justice ainsi que les autres dépenses ont augmenté de 60,9 % à la suite des coûts encourus pour l'atténuation des do mmages causés par les inondations de 2011.

The following c hart s hows the G overnment's ope rating expenses by function:

Le diagramme suivant montre les éléments des dépenses de fonctionnement du gouvernement.


Expense by Function 2011/12
Dépenses par fonction 2011-2012
Education / Education 23%
Family Services and Labour / Services à la famille et consommation 7%
Health and Healthy Living / Santé et Vie saine 36%
Community, Economic and Resource Development / Développement des communautés, de l'économie et des resources 19%
Debt Servicing / Service de la dette 5%
Justice and Other Expenditures / Justice et autre dépenses 10%

The health and healthy living, education, and family

Les secteurs de la santé et de la vie saine, de

services and labour components comprise 66.2% of the total operating expenses. Program expenses, which represent total expenses less the cost of servicing debt, increased 11.0% from 2010/11, primarily as a result of increased costs related to flooding and excess moisture condiitons in 2011. In 2011/12, total expenses to Gross Domestic Product (GDP) amounted to 26.1% (2010/11 – 24.7%) while program expenses to GDP amounted to 24.7% (2010/11 – 23.3%) of GDP.

l'éducation et des services à la famille et du travail représentent 66,2 % des dépenses totales de fonctionnement. Les dépenses de programmes, soit les dépenses totales moins les frais de service de la dette, ont connu une hausse de 11,0 % depuis 2010-2011, principalement à cause de l'augmentation des coûts engendrés par les inondations et pluies excessives de 2011. En 2011-2012, les dépenses totales représentaient 26,1 % du PIB (contre 24,7% en 2010-2011) et les dépenses de programmes 24,7 % du PIB (contre 23,3% en 2010-2011).

The expense ratio (total expenses as a percentage of total revenues) stood at 107.2% in 2011/12. An expense ratio of less than 100% means that revenues have exceeded expenses, resulting in a surplus.

Le ratio des dépenses (dépenses totales en pourcentage des recettes totales) était de 107,2 % en 2011-2012. Un ratio inférieur à 100 % signifie que les recettes sont supérieures aux dépenses, et qu'on obtient un excédent.

The total program expenses were higher than the 2011/12 budget by $986 million, or 7.6%. Costs attributable to the 2011 flooding and excess moisture account for $759 million or 77.0% of the increase.

Le total des dépenses de programmes a dépassé le budget de 2011-2012 de 986 millions de dollars, soit 7.6 % de plus que prévu. Les coûts attribuables aux inondations et pluies excessives de 2011 représentent 759 millions de dollars, soit 77,0 % de l'augmentation

Expense by Type

Expense by type provides a summary of the major types of Government spending, and changes in spending over time.

Dépenses par catégorie

Les dépenses par catégorie présentent le sommaire des catégories principales de dépenses du gouvernement et de l'évolution dans les dépenses au fil des ans.

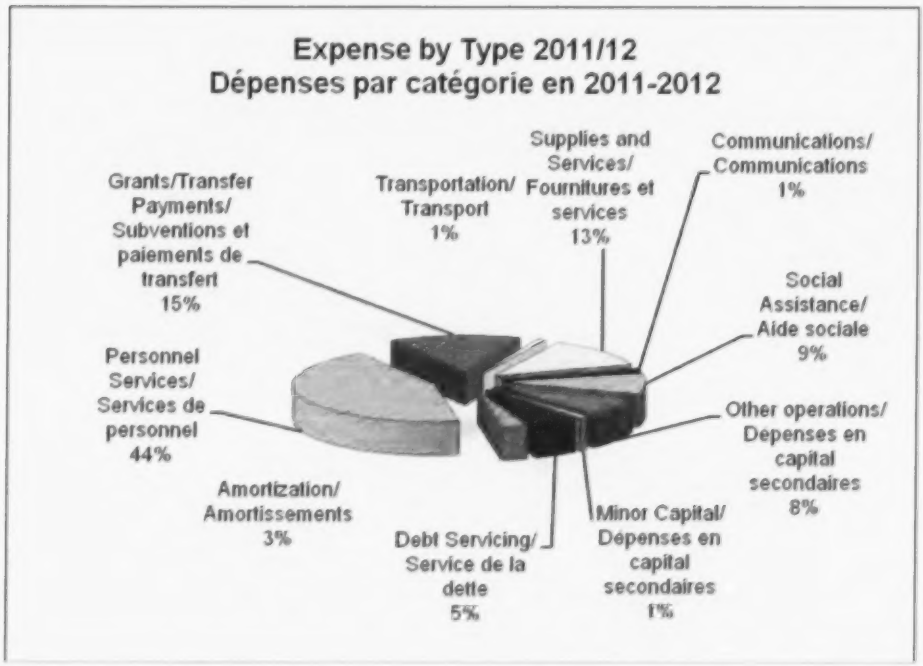
($ millions)/ (en millions de dollars)	**2011/12** Actual/ Chiffres réels de 2011-2012	**2010/11** Actual/ Chiffres réels de 2010-2011	**2009/010** Actual/ Chiffres réels de 2009-2010	**2008/09** Actual/ Chiffres réels de 2008-2009	**2007/08** Actual/ Chiffres réels de 2007-2008
Expense by Type/ Dépenses par catégorie					
	$	$	$	$	$
Personnel Services/Services de personnel	6,571	6,332	6,074	5,760	5,638
Grants/Transfer Payments/ Subventions et paiements de transfert	2,197	1,553	1,403	1,507	1,438
Transportation/Transport	161	183	185	150	131
Communications/Communications	77	70	77	76	74
Supplies and Services/Fournitures et services	1,870	1,836	1,863	1,717	1,629
Social Assistance/Aide sociale	1,409	1,038	967	876	796
Other Operating/Autres dépenses de fonctionnement	1,188	1,121	1,029	943	920
Debt servicing/Service de la dette	815	773	756	830	864
Minor Capital/Dépenses en capital secondaires	90	75	90	80	91
Amortization/Amortissement des immobilisations	476	438	404	375	357
Total Expenses by Type/ Dépenses totales	**14,854**	**13,419**	**12,848**	**12,314**	**11,938**

Results prior to 2010/11 have not been restated to reflect the impact of the 2011 reorganization.

Les résultats antérieurs à 2010-2011 n'ont pas été cités, dans le but de mettre en évidence les effets de la réorganisation de 2011.

Expense types by percentage are shown in the following Chart:

Le diagramme suivant montre les catégories de dépense en pourcentage.


Expense by Type 2011/12
Dépenses par catégorie en 2011-2012
Grants/Transfer Payments/ Subventions et paiements de transfert 15%
Transportation/ Transport 1%
Supplies and Services/ Fournitures et services 13%
Communications/ Communications 1%
Social Assistance/ Aide sociale 9%
Personnel Services/ Services de personnel 44%
Other operations/ Dépenses en capital secondaires 8%
Amortization/ Amortissements 3%
Debt Servicing/ Service de la dette 5%
Minor Capital/ Dépenses en capital secondaires 1%

The Government's 2011/12 major expenses were personnel services at 44% (2010/11 – 47%), supplies and services at 13% (2010/11 – 14%) and grants/transfer payments at 15% (2010/11 – 12%).

En 2011-2012, les services de personnel ont représenté les principales dépenses du gouvernement, soit 44 % des dépenses (contre 47 % aussi en 2010-2011), les fournitures et services ont représenté 13 % (contre 14 % en 2010-2011) et les subventions et paiements de transfert équivalaient à 15 % des dépenses (contre 12 % en 2010-2011)

Financial Assets

Analysis of financial assets provides users with information regarding the amount of resources available to the Government that can be converted to cash, if required, to discharge existing liabilities or to finance future operations.

Actifs financiers

L'analyse des actifs financiers renseigne les lecteurs sur le montant de ressources du gouvernement pouvant être converti en liquidités au besoin pour s'acquitter de ses présentes obligations ou financer des activités futures.

($ millions)/ (en millions de dollars)	2011/12 Actual/ Chiffres réels de 2011-2012	2010/11 Actual/ Chiffres réels de 2010-2011	2009/10 Actual/ Chiffres réels de 2009-2010	2008/09 Actual/ Chiffres réels de 2008-2009	2007/08 Actual/ Chiffres réels de 2007-2008
Financial Assets/ Actifs financiers					
	$	$	$	$	$
Cash, cash equivalents, short term investments/Espèces, quasi-espèces, placements à court terme	1,244	1,047	1,461	1,437	2,254
Temporary investments/Placements temporaires	286	345	551	733	586
Accounts receivable and advances/Créances et avances	1,677	1,341	1,258	1,143	1,149
Inventories/Stocks	65	61	46	11	10
Portfolio investments/Placements de portefeuille	2,784	2,765	2,539	2,738	4,462
Loan and advances/Prêts et avances	955	802	786	767	745
Equity in government business enterprises/Valeur des entreprises publiques	3,617	3,570	3,199	2,127	2,679
Total Financial Assets/Total des actifs financiers	**10,628**	**9,931**	**9,840**	**8,956**	**11,885**

Financial assets increased by $697 million or 7.0% from 2010/11. Cash, cash equivalents and temporary investments increased by $138 million or 9.9% from 2010/11. Portfolio investments increased by $19 million, or 0.7%, from 2010/11. Equity in GBEs represents 34.0% of 2011/12 financial assets; an increase of $47 million, or 1.3%, from 2010/11. This increase results from stable earnings achieved in the GBEs offset by a decrease in equity due to the accounting for other comprehensive losses recorded by the GBEs. Portfolio investments earned $81 million (2010/11 - $83 million).

Les actifs financiers ont augmenté de 697 millions de dollars, soit 7,0 %, depuis 2010-2011. Les espèces, les valeurs en espèces et les placements temporaires ont augmenté de 138 millions de dollars, soit 9,9 %, depuis 2010-2011. Les placements de portefeuille ont augmenté de 19 millions de dollars, soit 0,7 %, depuis 2010-2011. La valeur nette des entreprises publiques représente 34,0 % des actifs financiers en 2011-2012, en hausse de 47 millions de dollars, soit 1,3 %, par rapport à 2010-2011. Cette hausse résulte de la stabilité des revenus des entreprises publiques, contrebalancée par une baisse de leur valeur nette due à la prise en compte de pertes enregistrées par les entreprises publiques dans les autres éléments du résultat étendu. Les placements de portefeuille ont rapporté 81 millions de dollars (contre 83 millions de dollars en 2010-2011).

Liabilities

An analysis of liabilities provides users with information to understand and assess the demands on financial assets. Liabilities consist of debt or obligations owing, to be repaid with cash or other assets.

Passifs

Une analyse des passifs permet aux lecteurs de comprendre et d'évaluer les pressions qui s'exercent sur les actifs financiers. Les passifs sont les dettes et les obligations à assumer au moyen de liquidités ou d'autres actifs.

($ millions)/ (en millions de dollars)	2011/12 Actual/ Chiffres réels de 2011-2012	2010/11 Actual/ Chiffres réels de 2010-2011	2009/10 Actual/ Chiffres réels de 2009-2010	2008/09 Actual/ Chiffres réels de 2008-2009	*2007/08* Actual/ Chiffres réels de 2007-2008
Liabilities/ Passifs					
	$	$	$	$	$
Borrowings/Emprunts	19,603	17,150	16,142	14,891	14,734
Accounts payable and accrued liabilities/ Créditeurs et charges à payer	3,518	3,194	3,151	3,228	2,936
Deferred revenues/ Recettes différées	365	360	365	305	285
Pension liability/ Obligation découlant des régimes de retraite	1,634	1,731	1,768	1,991	4,470
Other liabilities/Autres obligations	19	21	21	21	21
Total Liabilities/ Total des passifs	**25,139**	**22,456**	**21,447**	**20,436**	**22,446**

The 2011/12 total liabilities increased $2,683 million or 11.9% from 2010/11. Borrowings have increased $2,453 million or 14.3% from 2010/11. The pension liability balance decreased by $97 million or 5.6% from 2010/11. Restricted inflows, recorded as deferred revenues, remained relatively unchanged from 2010/11 and accounts payable and accrued liabilities increased by $324 million or 10.1% from 2010/11.

Le total des passifs de 2011-2012 s'est accru de 2 683 millions de dollars par rapport à 2010-2011, ce qui représente une croissance de 11.9 %. Les emprunts ont augmenté de 2 453 millions de dollars, soit 14,3 %. Le solde de l'obligation découlant des régimes de retraite a diminué de 97 millions de dollars, soit 5,6 %, par rapport à 2010-2011. Les rentrées soumises à restrictions, inscrites comme des recettes reportées, sont restées relativement similaires depuis l'exercice précédent, et les comptes fournisseurs et les charges à payer ont augmenté de 324 millions de dollars depuis 2010-2011, soit une hausse de 10,1 %.

Debt servicing costs were $815 million (2010/11 - $773 million) as at March 31, 2012, an increase of 5.4%. As explained on page 93, the gross amount of debt servicing costs increased to a level of $1,245 million, (2010/11 - $1,206 million) when GBEs' adjustments are included.

Les frais de service de la dette ont atteint 815 millions de dollars au 31 mars 2012, contre 773 millions de dollars en 2010-2011, ce qui représente une hausse de 5,4 %. Comme nous l'avons expliqué à la page 93, le montant brut des frais de service de la dette est monté à 1 245 millions de dollars (contre 1 206 millions de dollars en 2010-2011), après les ajustements relatifs aux entreprises publiques.

Pension Liability

Direct action has been taken to address the unfunded pension liability. This included funding 75% of the employer's liability relating to the Teacher's Retirement Allowances Fund in 2007 and funding $1,100 million towards the employer's liability relating to the Civil Service Superannuation Fund by the end of March

Obligation découlant des régimes de retraite

Des mesures énergiques ont été prises pour régler la question de l'obligation non capitalisée découlant des régimes de retraite. Ainsi, après avoir provisionné 75 % de l'obligation provinciale relative à la Caisse de retraite des enseignants en 2007, le gouvernement affecte 1 100 millions de dollars à l'obligation relative à la Caisse de la fonction publique à la fin de mars 2012,

2012, through borrowings. Like any long-term strategy, there will be ups and downs in returns on investment. Borrowing funds to pay down the previously unfunded pension liability is a sound fiscal decision, as over the longer term, the cost of borrowing is less than the actuarially determined expected rate of return on the plan assets and the rate of growth in the pension liability.

en recourant à des emprunts. Comme pour toutes les stratégies à long terme, il y aura des hauts et des bas dans les rendements du capital investi. L'emprunt de sommes pour rembourser l'obligation non capitalisée découlant des régimes de retraite est une décision financière judicieuse car, à long terme, le coût d'emprunt est inférieur aux prévisions actuarielles des taux de rendement de l'actif des régimes et du taux de croissance de l'obligation découlant des régimes de retraite.

Global economic uncertainty and extraordinary market volatility defined the financial environment during 2008/09. Due to improving market conditions in 2009/10 much of the negative impact incurred in that year was recovered in the 2009/10 and 2010/11 fiscal years. A slowdown in the global recovery resulted in less than expected returns for 2011/12.

L'incertitude économique mondiale et l'extraordinaire volatilité des marchés ont caractérisé l'environnement financier au cours de l'exercice 2008-2009. L'amélioration des conditions du marché en 2009-2010 a permis de contrecarrer une grande partie des effets négatifs au cours des exercices 2009-2010 et 2010-2011. Un ralentissement de la reprise économique mondiale a généré moins de rendements que prévu en 2011-2012.

The Government uses a diversified, conservative investment approach to mitigate the risk of volatile market conditions on its investments and operating results. It recognizes changes in market value over the service life of employees, consistent with Canadian generally accepted accounting principles. This method of accounting for market changes allows the Government to smooth gains and losses over several years.

Le gouvernement a adopté une approche conservative dans le choix de ses investissements, qu'il a aussi voulu diversifiés, afin de limiter les risques liés à la volatilité des marchés, et cela, tant pour protéger ses investissements que ses résultats d'exploitation. Il reconnaît les changements de valeur marchande au cours des années de service des employés, conformément aux principes comptables généralement reconnus au Canada. Cette méthode tenant compte des changements du marché permet au gouvernement de lisser les gains et les pertes sur plusieurs années.

Notwithstanding the impact of market shifts on the operating results of the Government, pension benefits are not affected because all the pension plans that it sponsors are defined benefit plans. Under these types of plans, pension benefits are determined using a formula which is linked to the employee's salary. Benefits are not linked to the market value of investments or recent investment returns.

Malgré les effets qu'ont eus les variations du marché sur les résultats d'exploitation du gouvernement, les prestations de retraite n'en subissent pas les répercussions, car tous les régimes de retraite que le gouvernement offre sont à prestations déterminées. Selon ces régimes, les prestations de retraite se calculent en fonction du salaire de l'employé concerné. Elles ne sont pas liées à la valeur marchande des investissements ni aux récents rendements du capital investi.

Further information on the status of pension plan assets is provided in the 2011/12 notes to the Public Accounts, page 86, and Schedule 6, page 105.

Vous trouverez plus de renseignements sur l'état de l'actif des régimes de retraite dans les notes accompagnant les Comptes publics de 2011-2012, page 86, et à l'Annexe 6, page 105.

Net Debt and Accumulated Deficit

Dette nette et déficit accumulé

Net debt is the difference between the Province's liabilities and financial assets. It represents the amount of liabilities to be funded from future revenues and taxation. Operating losses, investments in tangible capital assets or other non-financial assets all increase net debt. Net debt is decreased by operating net income

La dette nette est la différence entre les passifs de la Province et ses actifs financiers. Elle représente la somme des passifs à financer à même les recettes et les impôts à venir. Les pertes résultant des activités ainsi que les investissements dans les immobilisations corporelles et les autres biens non financiers s'ajoutent

or decreases in the value of net tangible capital assets and other non-financial assets. As at March 31, 2012, net debt was $14,511 million, $1,986 million or 15.9% higher than the prior year.

The accumulated deficit has increased by $750 million, or 16.5%, over the last five years, as a result of losses in the current and preceding fiscal year, offset by the growing economy, prudent fiscal management, the inclusion of new entities and changes in accounting policies affecting the equity in the GBEs. In 2011/12, the accumulated deficit increased by $1,068 million, or 25.2%, from the prior year substantially due to costs related to the 2011 flooding and excess moisture.

tous à la dette nette. La dette nette diminue en fonction des revenus nets provenant des activités ou des baisses de la valeur des immobilisations corporelles nettes et d'autres actifs non financiers. Au 31 mars 2012, la dette nette s'élevait à 14 511 millions de dollars, soit 1 986 millions de dollars ou (15,9 %) plus élevée qu'à la fin de l'exercice antérieur.

Le déficit accumulé a connu une hausse de 750 millions de dollars (soit 16,5 %) au cours des cinq derniers exercices. Cette hausse est due aux pertes encourues lors de l'exercice actuel et du précédent, compensées par la croissance de l'économie, par une gestion financière prudente, par l'inclusion de nouvelles entités et par la modification de conventions comptables touchant la valeur nette des entreprises publiques.

En 2011-2012, le déficit accumulé a fait un bond de 1 068 millions de dollars (soit 25,2 %) par rapport à l'exercice précédent, en grande partie à cause des coûts liés à aux inondations et pluies excessives de 2011.

($ millions)/ (en millions de dollars)	**2011/12** Actual/ Chiffres réels de 2011-2012	**2010/11** Actual/ Chiffres réels de 2010-2011	**2009/10** Actual/ Chiffres réels de 2009-2010	**2008/09** Actual/ Chiffres réels de 2008-2009	***2007/08*** Actual/ Chiffres réels de 2007-2008
Net Debt and Accumulated Deficit/ Dette nette et déficit accumulés					
	$	$	$	$	$
Financial assets/ Actifs financiers.....	10,628	9,931	9,840	8,956	11,885
Less: liabilities/ Moins : les passifs.....	(25,139)	(22,456)	(21,447)	(20,436)	(22,446)
Total Net Debt/Dette nette.....	**(14,511)**	**(12,525)**	**(11,607)**	**(11,480)**	**(10,561)**
Non-financial assets/Actifs non financiers.....	9,206	8,288	7,407	6,597	6,006
Total Accumulated Deficit/ Total du déficit accumulé.....	**(5,305)**	**(4,237)**	**(4,200)**	**(4,883)**	**(4,555)**

Non-Financial Assets

An analysis of non–financial assets provides users with information to assess changes in the Government's infrastructure and long–term non–financial assets.

Actifs non financiers

Une analyse des actifs non financiers permet aux lecteurs d'apprécier l'évolution des infrastructures et des actifs non financiers à long terme du gouvernement.

($ millions)/ (en millions de dollars)	2011/12 Actual/ Chiffres réels de 2011-2012	2010/11 Actual/ Chiffres réels de 2010-2011	2009/10 Actual/ Chiffres réels de 2009-2010	2008/09 Actual/ Chiffres réels de 2008-2009	*2007/08* Actual/ Chiffres réels de 2007-2008
Non-Financial Assets/ Actifs non financiers					
	$	$	$	$	$
Tangible capital assets/Immobilisations corporelles	9,097	8,187	7,279	6,523	5,934
Prepaid expenses/Charges payées d'avance	50	51	46	38	36
Inventories/Stocks	59	50	82	36	36
Total Non-financial Assets/Total des actifs non financiers	**9,206**	**8,288**	**7,407**	**6,597**	**6,006**

Non–financial assets typically represent resources that the Government can use in the future to provide services, such as tangible capital assets. The management of non–financial assets has a direct impact on the level and quality of services a government is able to provide to its citizens.

Les actifs non financiers, comme les immobilisations corporelles, sont généralement des ressources que le gouvernement peut utiliser dans l'avenir pour fournir des services. La gestion des actifs non financiers a des répercussions directes sur le niveau et la qualité de services qu'un gouvernement est en mesure de fournir à sa population.

At March 31, 2012, non–financial assets were $918 million higher, or 11.1%, than 2010/11. The majority of the Government's non–financial assets represent expenditures for tangible capital assets. New acquisitions of tangible capital assets totalled $1,441 million for 2011/12 ($1,361 for 2010/11). These capital acquisitions include investments in the post–secondary education, health facilities and transportation sectors.

En date du 31 mars 2012, les actifs non financiers présentaient une hausse de 918 millions de dollars, soit 11,1 %, par rapport à ceux de 2010-2011. La plus grande partie des actifs non financiers du gouvernement provient de dépenses en immobilisations corporelles. Les nouvelles acquisitions d'immobilisations corporelles totalisaient 1 441 millions de dollars en 2011-2012 (1 361 millions de dollars en 2010-2011). Ces acquisitions d'immobilisations comprennent des investissements dans les secteurs de l'enseignement postsecondaire, dans les établissements de santé et dans les transports.

Tangible Capital Assets

An analysis of tangible capital assets helps users understand whether the Government has the ability to provide services in future periods.

Immobilisations corporelles

Une analyse des immobilisations corporelles aide les lecteurs à connaître la capacité du gouvernement de fournir des services au cours de périodes à venir.

($ millions)/ (en millions de dollars) Tangible Capital Assets/ Immobilisations corporelles	2011/12 Actual/ Chiffres réels de 2011-2012	2010/11 Actual/ Chiffres réels de 2010-2011	2009/10 Actual/ Chiffres réels de 2008-2009	2008/09 Actual/ Chiffres réels de 2008-2009	*2007/08* Actual/ Chiffres réels de 2007-2008
	$	$	$	$	$
Land/Terrains	214	205	179	208	194
Building and leasehold improvements/Améliorations des immeubles et améliorations locatives	3,802	3,273	3,130	2,883	2,685
Vehicles and equipment/Véhicules et équipement	753	673	639	596	580
Computer hardware and software/Matériel informatique et logiciels	286	243	235	253	224
Assets under construction/Actifs en chantier	843	945	614	487	423
Infrastructure/Infrastructure	3,199	2,848	2,482	2,096	1,828
Total Tangible Capital Assets/Total des immobilisations corporelles	**9,097**	**8,187**	**7,279**	**6,523**	**5,934**

Commencing in 2006/07, the Government's policy is to capitalize the gross cost of its tangible capital assets. Recoveries related to capital projects, from other governments, are recognized as revenue in the year a tangible capital asset is purchased. In accordance with the recommendations of PSAB, the value of Crown land transferred to the Province is not reported as tangible capital assets.

Depuis 2006-2007, la politique du gouvernement consiste à inscrire au bilan le coût brut de ses immobilisations corporelles. Les sommes récupérées liées aux projets d'immobilisation sont inscrites comme des recettes au cours de l'exercice où les immobilisations corporelles sont achetées. Les soldes de 2005-2006 n'ont pas été ajustés sur une base comparable. Conformément aux recommandations du Conseil de la comptabilité dans le secteur public, la valeur des terres de la Couronne transférées à la Province n'est pas comprise dans les immobilisations corporelles.

The net book value (cost less accumulated amortization) of tangible capital assets is a major asset of the Province, totaling $9,097 million at the end of 2011/12 (2010/11 - $8,187 million). The buildings and leasehold improvements asset class includes a large portion of tangible capital assets pertaining to provincially owned schools, health facilities, and public service buildings. Infrastructure assets include roads, water control structures and parks.

La valeur comptable nette (coût moins les amortissements cumulés) des immobilisations corporelles constitue un des principaux actifs de la Province et représentait 9 097 millions de dollars à la fin de 2011-2012 (8 187 millions de dollars en 2010-2011). La catégorie Améliorations des immeubles et améliorations locatives est formée en grande partie par les immobilisations corporelles des écoles, des établissements de santé et des immeubles de services publics qui appartiennent à la Province. La catégorie Infrastructure comprend les routes, les ouvrages de régularisation des eaux et les parcs.

The investment in tangible capital assets in total has remained reasonably consistent with the prior year. The net annual investment increased by $910 million in 2011/12 (2010/11 - $908 million increase). In 2011/12, the Government invested $596 million in

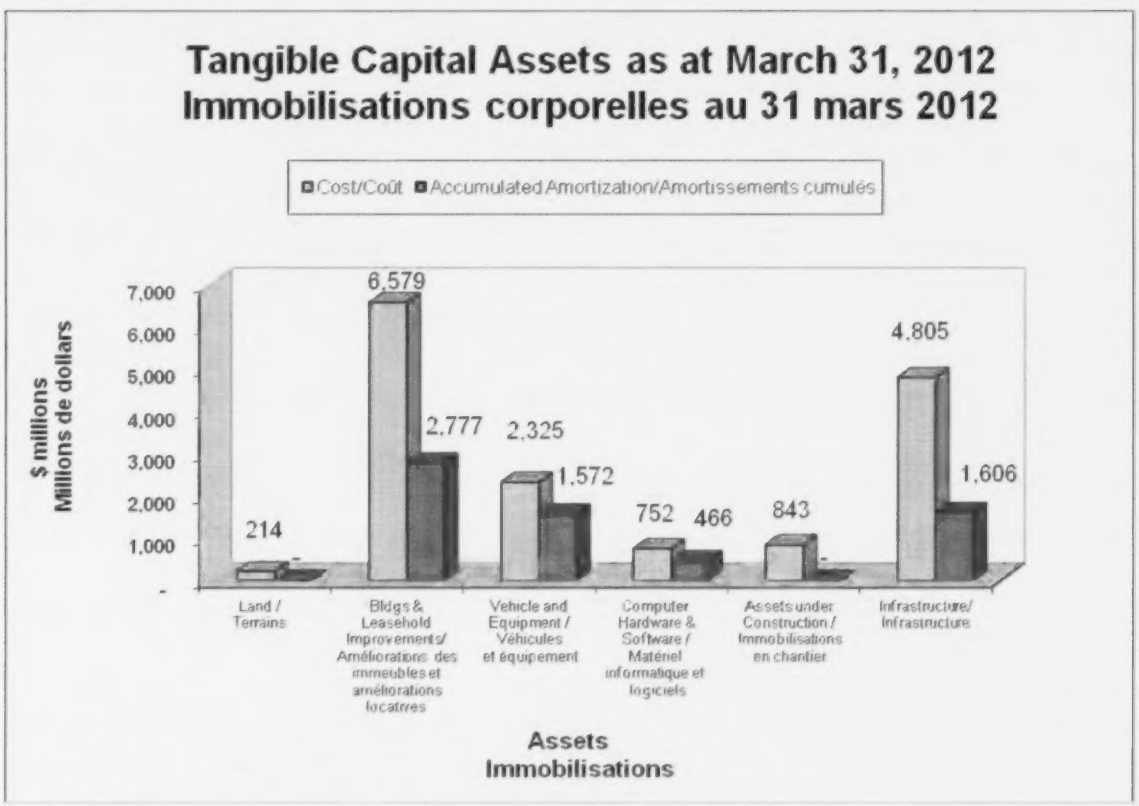
Dans l'ensemble, l'investissement en immobilisations corporelles est relativement semblable à celui de l'exercice précédent. L'investissement annuel net s'est accru de 910 millions de dollars en 2011-2012 (contre 908 millions de dollars en 2010-2011). En 2010-2011,

buildings and leasehold improvements, $203 million for vehicles and equipment, and $475 million for infrastructure projects. Infrastructure projects include $228 million in transportation-related projects, such as road grading and surfacing and $178 million in assets under construction.

le gouvernement du Manitoba a investi 596 millions de dollars dans la construction de bâtiments et dans des améliorations locatives, 203 millions dans l'achat de véhicules et d'équipement, et 475 millions dans des projets d'infrastructure. Les projets d'infrastructure comprennent 228 millions de dollars pour des travaux dans le secteur des transports, comme le nivellement et le surfaçage des routes, et 178 millions de dollars dans des actifs en construction.

The total cost of tangible capital assets has also increased steadily, from $10,887 million in 2007/08 to $15,518 million in 2011/12, demonstrating the value of tangible capital assets that are available to provide services in future periods. The following chart of tangible capital assets shows these assets by class and their related accumulated amortization as at March 31, 2012.

Les immobilisations corporelles s'accroissent également de façon constante. Elles sont passées de 10 887 millions en 2007-2008 à 15 518 millions en 2011-2012, ce qui témoigne de la valeur des immobilisations corporelles utiles à la prestation de services aux cours de périodes à venir. Le diagramme suivant présente les immobilisations corporelles par catégorie et leurs amortissements cumulés respectifs au 31 mars 2012.



GLOSSARY OF KEY TERMS /GLOSSAIRE DE TERMES-CLÉS

Borrowings: Borrowings are securities issued in the name of the Province to capital markets investors. Securities include debentures, treasury bills, promissory notes, medium-term notes and Manitoba Savings Bonds.

Emprunts : valeurs ou titres émis au nom de la Province et vendus aux investisseurs des marchés financiers. On compte parmi ces titres des débentures, des bons du Trésor, des billets à ordre, des obligations à moyen terme et des obligations d'épargnes du Manitoba.

Consolidation Impacts: The adjustments needed to bring the revenue and expenditure of the Other Reporting Entities into the Summary Budget, and to eliminate transactions between entities to avoid duplication of revenues and expenses (e.g. a government grant is counted as an expenditure of Core Government and is eliminated from the revenue of the Other Reporting Entity).

Incidences de la consolidation : ajustements nécessaires pour inclure les recettes et les dépenses des autres entités comptables dans le Budget sommaire, et pour éliminer les transactions entre entités dans le but d'éviter la comptabilisation double des recettes et des dépenses (par exemple, une subvention publique figure comme dépense dans les opérations fondamentales du gouvernement et est éliminée dans les recettes d'autres entités comptables).

Core Government: A component of the GRE. Represents the operations of government, including the revenues directly under government's control, and the programs and services delivered by government departments.

Opérations fondamentales du gouvernement : composante du périmètre comptable du gouvernement. Il s'agit des opérations du gouvernement, y compris les recettes qui sont directement sous le contrôle du gouvernement, ainsi que les programmes et les services fournis par ses ministères.

Crown Organization: An organization in the GRE that is wholly owned or established by government, such as a Crown corporation (e.g. Manitoba Agricultural Services Corporation).

Organisation de la Couronne : organisation du périmètre comptable qui a été établie par le gouvernement ou dont il a la propriété exclusive, par exemple une société d'État comme la Société des services agricoles du Manitoba.

Debt Servicing Cost: Interest and other expenses associated with provincial borrowings.

Frais de service de la dette : intérêts et autres dépenses liés aux emprunts provinciaux.

Financial Assets: Assets of the Province such as cash, investments, loans and accounts receivable that could be readily converted to cash in order to pay the Province's liabilities or finance its future operations.

Actifs financiers : actifs de la Province (exemples : encaisse, investissements, prêts et débiteurs) qui pourraient facilement être convertis en liquidités afin de faire face aux obligations de la Province ou pour financer ses activités futures.

Generally Accepted Accounting Principles (GAAP): Standard accounting practices and reporting guidelines as prescribed by The Canadian Institute of Chartered Accountants.

Principes comptables généralement reconnus (PCGR) : pratiques comptables normalisées et lignes directrices pour la présentation de l'information financière, prescrites par l'Institut Canadien des Comptables Agréés.

Government Business Enterprises (GBEs): A Crown organization delegated with the financial and operating authority to carry on a business. It sells goods or services to individuals and organizations outside the GRE and can maintain its business on those revenues.

Entreprise publique : organisation de la Couronne qui est investie des pouvoirs financiers et administratifs nécessaires pour mener des activités commerciales. Elle vend des biens ou offre des services à des particuliers ou à des organismes non compris dans le périmètre comptable du gouvernement et elle peut poursuivre ses activités au moyen de ses recettes.

Government Reporting Entity (GRE): Includes Core Government and Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges.

Périmètre comptable du gouvernement : inclut les opérations fondamentales du gouvernement, les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges.

Gross Domestic Product (GDP): Represents the total market value of all final goods and services produced in the Manitoba economy.

Produit intérieur brut (PIB) : valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine.

Guarantees: The Province, in the normal course of business, may provide a guarantee to honour the repayment of debt or loans of an organization, primarily GBEs. Such a guarantee is provided on the Manitoba Hydro Savings Bonds.

Garanties : la Province, dans le cours normal de ses activités, peut garantir le remboursement des dettes ou des emprunts engagés par des organismes, c'est-à-dire principalement des entreprises publiques. De telles garanties sont fournies pour les obligations d'épargnes Hydro Bonds du Manitoba.

Net Debt to GDP Ratio: The ratio of government net debt relative to the total market value of all final goods and services produced in the Manitoba economy. Net debt represents the total liabilities of the government less its financial assets. It is widely used by credit rating agencies and other analysts to evaluate the financial situation and trends of jurisdictions in regards to their relative creditworthiness.

Rapport dette nette–produit intérieur brut (PIB) : dette nette de la Province par rapport à la valeur marchande totale de tous les biens et services finals produits par l'économie manitobaine. La dette nette est le total du passif de l'État moins ses actifs financiers. Les agences de notation et autres analystes s'en servent couramment pour apprécier la conjoncture financière d'un État et l'évolution de sa capacité à faire face à ses engagements financiers.

Non-Financial Assets: Includes physical items such as tangible capital assets (e.g. buildings and roads) and consumable goods such as inventories that are not normally converted to cash.

Actifs non financiers : actifs ayant une existence matérielle, notamment les immobilisations corporelles (par exemple les immeubles et les routes) et les biens consommables tels que les stocks qui ne sont pas normalement convertis en liquidités.

Other Comprehensive Income (OCI): Other comprehensive income is an accounting recognition of unrealized gains and losses in fair market value of financial instruments, such as investments held as available for sale or trading or debt held in a foreign currency. Currently, OCI accounting standards apply only to other reporting entities, except not-for-profit organizations. It is measured as the change in "mark-to-

Autres éléments du résultat étendu : prise en compte des gains et des pertes non réalisés calculés selon la juste valeur marchande de l'instrument financier, par exemple, un actif financier susceptible de vente ou une dette en devise étrangère. À l'heure actuelle, les normes comptables concernant les autres éléments du résultat étendu s'appliquent uniquement aux autres entités comptables, à l'exception des organismes à but non

market" valuations, interest rates, or foreign exchange rates at year end, and therefore is a one-day snapshot of the change in value when compared to the same day in the previous year.

lucratif. Les autres éléments du résultat étendu sont mesurés d'après la variation des évaluations à la valeur du marché, des taux d'intérêt et des taux de change en fin d'exercice et constituent, par conséquent, un aperçu ponctuel de la variation d'une valeur donnée par comparaison avec la valeur à la même date l'année antérieure.

Other Reporting Entities: Entities in the GRE such as Crown organizations, government business entities and public sector organizations such as regional health authorities, school divisions, universities and colleges that are directly or indirectly controlled by the Government, as prescribed by PSAB – excludes Core Government.

Autres entités comptables : entités du périmètre comptable du gouvernement comme les organisations de la Couronne, les entreprises publiques et les organismes du secteur public tels les offices régionaux de la santé, les divisions scolaires, les universités et les collèges qui sont directement ou indirectement sous le contrôle du gouvernement, comme le prescrit le Conseil sur la comptabilité dans le secteur public. Exclut les opérations fondamentales du gouvernement.

Pension Liability: Outstanding actuarial-calculated pension liability of the government and participating Crown organizations. The expense includes amounts funded through the appropriations of Core Government as well as for the actuarially determined increases in the pension liability.

Obligation découlant des régimes de retraite : valeur actuarielle de l'obligation non réglée découlant des régimes de retraite du gouvernement et des organisations de la Couronne participantes. La dépense comprend les fonds provenant des crédits relatifs aux opérations fondamentales du gouvernement et l'augmentation, déterminée à l'aide de calculs actuariels, de l'obligation découlant des régimes de retraite. Le gouvernement du Manitoba soutient huit régimes de retraite distincts.

Summary Net Debt: Represents the total liabilities of the GRE less its financial assets. This is the residual amount that will have to be paid or financed by future revenue.

Dette nette sommaire : total des passifs du périmètre comptable du gouvernement moins ses actifs financiers. Il s'agit du solde des passifs qu'il faudra payer ou financer à l'aide de recettes futures.

Tangible Capital Assets: Assets with a useful life extending beyond one year which are acquired, constructed or developed and held for use, not for resale.

Immobilisations corporelles : immobilisations dont la durée de vie utile s'étend au-delà de l'exercice et qui sont acquises, construites ou développées, et qui sont destinées à être utilisées plutôt que vendues.

SUMMARY FINANCIAL STATEMENTS

FOR THE YEAR ENDED

March 31, 2012

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STATEMENT OF RESPONSIBILITY

The summary financial statements are prepared under the direction of the Minister of Finance in accordance with the stated accounting policies of the Government reporting entity and include summary statements of financial position, revenue and expense, accumulated deficit, change in net debt, cash flow, notes and schedules integral to the statements. Together, they present fairly, in all material respects, the financial condition of the Government reporting entity at the fiscal year end and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles, applied on a basis consistent with that of the preceding year.

The Government is responsible for the integrity and objectivity of the summary financial statements. In the preparation of these statements, estimates are sometimes necessary because a precise determination of certain assets, liabilities, revenues and expenses is dependent on future events. The Government believes such estimates have been based on careful judgements and have been properly reflected in the summary financial statements.

The Government fulfills its accounting and reporting responsibilities, through the Office of the Provincial Comptroller, by maintaining systems of financial management and internal control. The systems are continually enhanced and modified to provide timely and accurate information, to safeguard and control the Government's assets, and to ensure all transactions are in accordance with *The Financial Administration Act*.

The Auditor General expresses an independent opinion on these financial statements. Her report, stating the scope of her audit and opinion, appears on the following page.

These financial statements are tabled in the Legislature. They are referred to the Standing Committee on Public Accounts, which reports to the Legislature on the results of its examination together with any recommendations it may have with respect to the financial statements and accompanying audit opinion.

On behalf of the Government of the Province of Manitoba.

Original signed by:

_____

Betty-Anne Pratt, CA
Provincial Comptroller

August 29, 2012

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying consolidated financial statements of the Province of Manitoba, which comprise the consolidated statement of financial position as at March 31, 2012, and the consolidated statements of revenue and expense, accumulated deficit, change in net debt and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Province of Manitoba as at March 31, 2012, and the results of its operations, the changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Original document signed by:
Carol Bellringer

August 29, 2012
Winnipeg, Manitoba

Carol Bellringer, FCA, MBA
Auditor General

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
www.oag.mb.ca

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at March 31, 2012

($ millions)

SCHEDULE		2012	2011
	FINANCIAL ASSETS		
	Cash and cash equivalents	1,244	1,047
	Temporary investments (Note 2)	286	345
1	Amounts receivable	1,677	1,341
	Inventories for resale	65	61
	Portfolio investments (Note 3)	2,784	2,765
2	Loans and advances	955	802
3	Equity in government business enterprises (Note 4)	3,617	3,570
	Total Financial Assets	10,628	9,931
	LIABILITIES		
4	Borrowings	19,603	17,150
5	Accounts payable, accrued charges, provisions and unearned revenue	3,902	3,575
6	Pension liability (Note 5)	1,634	1,731
	Total Liabilities	25,139	22,456
	NET DEBT	(14,511)	(12,525)
	NON-FINANCIAL ASSETS		
	Inventories held for use	59	50
	Prepaid expenses	50	51
7	Tangible capital assets	9,097	8,187
	Total Non-Financial Assets	9,206	8,288
	ACCUMULATED DEFICIT	(5,305)	(4,237)

Contingencies (Note 6)
Contractual Obligations (Note 7)
Subsequent Event (Note 15)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF REVENUE AND EXPENSE
For the Year Ended March 31, 2012

($ millions)

	2012 Budget	2012 Actual	2011 Actual
REVENUE			
Income taxes:			
Corporation income tax	423	424	330
Individual income tax	2,725	2,700	2,592
Other taxes:			
Retail sales tax	1,671	1,702	1,618
Fuel taxes	267	269	256
Levy for health and education	294	292	269
Mining tax	35	62	42
Education property tax	728	691	690
Other taxes	515	515	531
Fees and other revenue	1,771	1,906	1,828
Federal transfers:			
Equalization	1,942	1,942	2,001
Canada Health and Canada Social Transfers	1,418	1,426	1,365
Shared cost and other	612	964	681
Net income from government business enterprises (Schedule 3)	781	713	807
Sinking funds and other investment earnings	239	249	230
Total Revenue (Schedule 9)	13,421	13,855	13,240
EXPENSES			
Health and Healthy Living	5,361	5,328	5,044
Education	3,561	3,489	3,330
Family Services	1,017	1,013	978
Community, Economic and Resource Development	2,340	2,771	2,400
Justice and Other Expenditures	774	1,438	894
Debt Servicing (Note 8)	806	815	773
Total Expenses (Schedule 9)	13,859	14,854	13,419
NET LOSS FOR THE YEAR	(438)	(999)	(179)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCUMULATED DEFICIT
For the Year Ended March 31, 2012

($ millions)

	2012 Budget	2012 Actual	2011 Actual
Opening accumulated deficit, as previously reported	(4,503)	(4,503)	(4,374)
Restatements (Note 9)			
First time adoption of IFRS	-	(30)	(18)
Inclusion of new entities into the government reporting entity	-	164	147
Correction of Sick Pay benefit liabilities	-	(62)	(62)
Correction of Healthcare liabilities	-	133	63
Correction of Pension liability	-	41	32
Other	-	20	12
Opening accumulated deficit, as restated	(4,503)	(4,237)	(4,200)
Other Comprehensive Income (Schedule 3)	-	(77)	142
Amalgamation of controlled entity (Schedule 3)	-	8	-
Net Loss for the year	(438)	(999)	(179)
Closing accumulated deficit, as restated	(4,941)	(5,305)	(4,237)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CHANGE IN NET DEBT
For the Year Ended March 31, 2012

($ millions)

	2012 Budget	2012 Actual	2011 Actual
Net Loss for the year	(438)	(999)	(179)
Tangible Capital Assets (Schedule 7)			
Acquisition and reclassification of tangible capital assets	(1,561)	(1,441)	(1,361)
Amortization of tangible capital assets	439	476	438
Disposal of tangible capital assets	-	55	15
Net Acquisition of Tangible Capital Assets	(1,122)	(910)	(908)
Other Non-Financial Assets			
Decrease (Increase) in inventories	-	(9)	32
Decrease (Increase) in prepaid expenses	-	1	(5)
Net Acquisition of Other Non-Financial Assets	-	(8)	27
Other Comprehensive Income (Schedule 3)	-	(77)	142
Net assets acquired on amlgamation (Schedule 3)	-	8	-
(Increase) in Net Debt	(1,560)	(1,986)	(918)
Net Debt, beginning of year, as restated (Note 9)	(13,244)	(12,525)	(11,607)
Net Debt, end of year	(14,804)	(14,511)	(12,525)

The accompanying notes and schedules are an integral part of these financial statements.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF CASH FLOW
For the Year Ended March 31, 2012

	($ millions) 2012	2011
Cash and cash equivalents provided by (used in)		
Operating Activities		
Net loss for the year	(999)	(179)
Changes in non-cash items:		
Temporary investments	59	206
Amounts receivable	(428)	(82)
Valuation allowance	93	3
Inventories	(13)	16
Prepaids	1	(5)
Accounts payable, accrued charges, provisions and deferrals	327	38
Pension liability	(97)	(37)
Amortization of foreign currency fluctuation	6	6
Amortization of debt discount	(16)	(21)
Unamortized losses on derivative contracts	52	-
Loss on disposal of tangible capital assets	55	15
Amortization of tangible capital assets	476	438
	(484)	398
Other Comprehensive Income (Schedule 3)	(77)	142
Net assets acquired on amalgamation (Schedule 3)	8	-
Changes in equity in government business enterprises	(47)	(371)
Cash provided by (used in) operating activities	(600)	169
Capital Activities		
Acquisition of tangible capital assets	(1,441)	(1,361)
Cash used in capital activities	(1,441)	(1,361)
Investing Activities		
Investments purchased	(1,567)	(2,082)
Investments sold or matured	838	1,672
Cash used in investing activities	(729)	(410)
Financing Activities		
Debt issued	5,424	3,639
Debt redeemed	(2,457)	(2,450)
Cash provided by financing activities	2,967	1,189
Increase (Decrease) in cash and cash equivalents	197	(413)
Cash and cash equivalents, beginning of year	1,047	1,460
Cash and cash equivalents, end of year	1,244	1,047
Supplementary information:		
Interest received	252	232
Interest paid	786	825

The accompanying notes and schedules are an integral part of these financial statements.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
For the Year Ended March 31, 2012

1. SIGNIFICANT ACCOUNTING POLICIES

A. General Basis of Accounting

The summary financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP) for the public sector as recommended by the Public Sector Accounting Board (PSAB) of the Canadian Institute of Chartered Accountants (CICA).

B. The Government Reporting Entity

Various funds, Crown organizations (Crowns) and government business enterprises (GBEs) comprising the Government Reporting Entity (GRE) are listed in Schedule 8 to the Summary financial statements.

To be considered a part of the GRE, an organization must be controlled by the Government. Control, as defined by PSAB, is the power to govern the financial and operating policies of another organization with expected benefits or the risk of loss to the Government from the other organization's activities.

C. Basis of Consolidation

Crowns are consolidated after adjusting their accounting policies to a basis consistent with the accounting policies of the GRE as outlined in note 1D of the significant accounting policies. Inter-entity accounts and transactions are eliminated upon consolidation, except for retail sales tax. Where the fiscal year-end dates of Crowns are not the same as that of the GRE, and their transactions significantly affect the financial statements, their financial results are updated to March 31.

GBEs, whose principal activity is carrying on a business, maintain their accounts in accordance with accounting principles which are generally accepted for business enterprises and which are considered appropriate to their individual objectives and circumstances. They derive the majority of their revenue from sources outside the GRE. They are reported in these summary financial statements using the modified equity method of accounting. Under the modified equity method, the original investment of the Government, in GBEs, is initially recorded at cost and adjusted annually to include the net income or losses and other net equity changes of these enterprises, without adjusting their accounting policies to a basis consistent with that of the GRE.

The financial results of GBEs are not updated to March 31, where their fiscal year end is not the same as that of the GRE, except when transactions which, would significantly affect the summary financial statements, occur during the intervening period. Inter-entity accounts and transactions with GBEs are not eliminated. Supplementary financial information describing the financial position and results of operations of these enterprises is presented in Schedule 3 to the Summary financial statements.

The CICA's Accounting Standards Board has announced that effective January 1, 2011 Canadian publicly accountable enterprises will adopt International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. For those entities currently reporting their operations under rate regulated accounting, that are now required to adopt IFRS as their basis of reporting, the CICA has allowed an extension to January 1, 2013 for the adoption of IFRS. Manitoba Hydro-Electric Board has opted to exercise this extension. GBEs are required to adopt IFRS for their financial reporting. IFRS standards are not required to be adopted by senior governments and will not be adopted for the summary financial statements.

D. Basis of Specific Accounting Policies

(i) Gross Accounting Concept

Revenues and expenses are recorded as gross amounts with the following exceptions:

(1) Refunds of revenue are treated as reductions of current year revenue.

(2) Decreases in valuation allowances are treated as reductions to expense.

(3) Where there is sufficient evidence that the borrowings undertaken by the Government are specifically on behalf of a GBE, the recoveries of the debt servicing costs on self-sustaining debt of GBEs are recorded as a reduction of debt servicing expense.

(ii) Revenue

(1) Government transfers

Transfer payments from the Government of Canada include all accruals determined for current year entitlements that have been authorized by March 31, for which any eligibility criteria have been met and that can be reasonably estimated.

(2) Individual and corporation income tax

Revenues from individual and corporation income tax are accrued in the year earned based upon estimates made by the Government of Canada using statistical models. Tax revenues are recorded at estimated amounts after considering adjustments for tax credits and other adjustments from the Government of Canada.

(3) Other revenue

All other revenues are recorded on an accrual basis except when the accruals cannot be determined with a reasonable degree of certainty or when their estimation is impracticable.

PSAB has issued new standards with respect to the recognition and measurement of tax revenues and accounting for government transfers, effective for year ends commencing on April 1, 2012. The impact of changes between this new standard and the Government's current policy has not been reflected in these statements.

(iii) Expenses

(1) Accrual accounting

All expenses incurred for goods or services received are recorded on an accrual basis.

Expenses include provisional amounts recorded in anticipation of costs, which are quantifiable and have been identified as obligations.

(2) Government transfers

Government transfers are recognized as expenses in the period in which the transfer is authorized and any eligibility criteria are met and the amounts can be reasonably estimated.

(iv) Financial Assets

(1) Loans and advances

Loans and advances are recorded at cost less valuation allowances. A valuation allowance is provided to reduce the value of the assets to their estimated realizable value or to reflect the impact of significant concessionary terms on outstanding loans. Valuation allowances are made when collection is considered doubtful. Premiums that may arise from the early repayment of loans or

advances are reflected as deferred revenue and are amortized monthly to debt servicing expense over the term of the loan or advance.

(2) Investments

Investments denominated in foreign currency are translated to the Canadian dollar equivalent at the exchange rate in effect at March 31, unless the rate of exchange or a forward foreign exchange contract fixing the value has been negotiated, in which case that rate or amount is used. The year end investment translation adjustments reflecting the foreign currency fluctuation between year ends are amortized monthly over the remaining life of the investment and are included with debt servicing expense. Expenses and other transaction charges incurred on the purchase of investments during the year are charged to debt servicing expense. Those expenses incurred in a foreign currency are translated at the exchange rate in effect on the transaction date. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(3) Inventories for resale

Inventories held for resale are recorded at the lower of cost and net realizable value.

(v) Liabilities

Liabilities are present obligations to outside parties and GBEs as a result of transactions and events occurring prior to the end of the fiscal year. The settlement of the liabilities will result in the future transfer or use of assets or other form of settlement. Liabilities are recorded at the estimated amount ultimately payable.

(1) Borrowings

All borrowings are expressed in Canadian dollars and are shown net of unamortized debt issue costs and debt of the Government held as provincial investments. Foreign borrowings are converted at the exchange rate in effect at March 31, adjusted for any forward foreign exchange contract entered into for settlement after the fiscal year end. Discounts or premiums, and commissions incurred at the time of the issue of debt are amortized monthly to debt servicing expense over the term of the debt.

The yearend translation adjustments, reflecting the foreign currency fluctuation from the value at the issue date, are recorded through the unamortized foreign currency fluctuation account and amortized monthly to debt servicing expense over the remaining term of the debt. The unamortized portion of foreign currency fluctuation also reflects the gains or losses on the conversion of foreign currency debt called prior to maturity using the rates in effect at the time of the call. These gains or losses are amortized over the original remaining term of the debt or over the term of the replacement issue, whichever is shorter.

Premiums on interest rate options are amortized monthly over the period of the applicable agreement. If the option is exercised, the premium will continue to be amortized to the maturity date of the agreement. If the option is not exercised, any unamortized premium will be immediately taken into revenue or expense. Gains and losses on terminated derivative contracts are deferred and amortized on a straight-line basis over the remaining term of the contract.

(2) Pension liability

The Government accounts for employee pension plans by recognizing a liability and an expense in the reporting period in which the employee has provided service using the accrued benefit actuarial cost method, except as disclosed in Note 5. The value of plan assets is determined using a moving average fair value method. Under this method, fair value is the underlying basis, with any excess (or shortfall) of investment returns over (or below) the expected long-term rate being amortized over a five year period. When actual experience varies from actuarial estimates, for both the accrued benefit obligation and plan assets, the difference is amortized over the expected average remaining service life of the related employee group. Past service costs from plan amendments are recognized in full as expenses in the year of the amendment.

(3) Other future employee benefit obligations

The amount of the liabilities for severance, the Long Term Disability Income Plan and workers compensation claims are based upon actuarial calculations. The periodic actuarial valuations of these liabilities may determine that adjustments are needed to the actuarial calculations because actual experience is different from that expected and/or because of changes in the actuarial assumptions used. The resulting actuarial gains or losses for the severance liability are amortized over the expected average remaining service life of the related employee group. Actuarial gains and losses for the Long Term Disability Income Plan and the workers compensation claims are recognized as they arise.

(4) Guarantees

Guarantees by the Government are made through specific agreements or legislation to repay promissory notes, bank loans, lines of credit, mortgages and other securities. Provision for losses on these guarantees are recorded when it is likely that a loss will occur. The amount of the loss provision represents the Government's best estimate of future payments less recoveries.

(5) Environmental liabilities

An environmental liability for contaminated sites is recorded when contamination is identified, and when the Government is obligated, or likely to become obligated, to incur remediation costs due to reasons of public health and safety, contractual arrangements, or compliance with environmental standards which are set out in any act or regulation (federal, provincial, municipal) recognized by the Government. The liability is based upon remediation costs determined on a site-by-site basis, measured as incremental direct costs, reduced by estimated recoveries from third parties, and discounted, where possible, to reflect the time value of money.

PSAB has issued a new standard with respect to the recognition and measurement of liabilities related to contaminated sites, effective for year ends commencing on April 1, 2014. The impact of changes between this new standard and the Government's current policy has not been reflected in these statements.

(vi) Non-Financial Assets

(1) Recognition and measurement

In the public sector, recognition and measurement of tangible capital and other non-financial assets are based on their future service potential. Generally, such assets do not generate future net cash inflows. Therefore, these assets will not provide resources to discharge the liabilities of the Government. For non-financial assets, the future economic benefit consists of their capacity to render service to fulfill the Government's objectives.

(2) Inventories

Inventories held for resale are classified as non-financial assets if it is anticipated that the sale will not be completed within one year of the reporting date. Inventories held for use are classified as non-financial assets.

(3) Prepaid expenses

Prepaid expenses are payments for goods or services which will provide economic benefits in future periods. The prepaid amount is recognized as an expense in the year the goods or services are used or consumed.

(4) Tangible capital assets

The cost of tangible capital assets purchased includes the purchase price as well as costs such as installation costs, design and engineering fees, survey and site preparation costs and other costs incurred to put the asset into service. The cost of tangible capital assets constructed by the

Government includes all direct construction costs such as materials, labour, design, installation, engineering, architectural fees, and survey and site preparation costs, as well as overhead costs directly attributable to the construction activity such as licenses, inspection fees, indirect labour costs, and amortization expense of any equipment which was used in the construction project. Any carrying costs associated with the development and construction of tangible capital assets is included for projects whose cost exceeds $20 million.

Certain assets, which have historical or cultural value, including works of art, historical documents as well as historical and cultural artifacts are not recognized as tangible capital assets because a reasonable estimate of the future benefits associated with such property cannot be made.

Intangible assets and items inherited by right of the Crown, such as Crown lands, forests, water and other mineral resources are not recognized in the Government's financial statements.

Tangible capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

General Tangible Assets:	
Land	Indefinite
Buildings and Leasehold Improvements	
Buildings	10 to 60 years
Leasehold improvements	Life of lease
Vehicles and Equipment	
Vehicles	5 years
Aircraft and vessels	5 to 24 years
Machinery, equipment and furniture	3 to 20 years
Maintenance and road construction equipment	15 years
Computer hardware, software licences	4 to 15 years
Infrastructure Assets:	
Land	Indefinite
Land Improvements	30 years
Transportation	
Bridges and Structures	40 to 75 years
Provincial Highways, Roads and Airstrips	10 to 40 years
Dams and Water Management Structures	40 to 100 years

One-half of the annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is put into service.

(vii) Classification by Sector

The Province reports operational results under the following sectors; health and healthy living, education, family services, community economic and resource development, justice and other expenditures and general government. The entities and departments included in each sector are identified in Schedule 8 to the summary financial statements.

The health and healthy living sector includes provincial health care programs and includes all health related entities and services.

The education sector includes all education services including elementary, secondary and post-secondary services, including the pension related expenses associated with this sector.

The family services sector includes all social services related to employment and income support for individuals in need as well as a comprehensive range of social services and financial assistance programs provided to Manitobans throughout the Province.

The community economic and resource development sector includes the promotion and development of the Province's natural resources including the support of industries within this sector. It also includes the operation and maintenance of transportation systems including highway infrastructure and other Government infrastructure. The sector also contains the management and administration of housing policies and benefits for low to moderate income renters and

homeowners.
The justice and other expenditures sector include general administration, finance, executive and legislature, cultural and sport related activities. The sector contains criminal and civil legal services and programs that protect the rights of Manitobans. Also included in the sector, are all general government pension related expenses.

The general government sector is comprised of those activities that cannot to be allocated to the specific sectors noted above.

Inter-segment transfers between sectors are measured at the exchange amount.

E. Measurement Uncertainty

Estimates are used to accrue revenues and expenses in circumstances where the actual accrued revenues and expenses are unknown at the time the financial statements are prepared. Uncertainty in the determination of the amount at which an item is recognized in the financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized amount and another reasonable amount, as there is whenever estimates are used.

Measurement uncertainty in these financial statements exists in the accrual of individual and corporate income taxes, Canada Health Transfer and Canada Social Transfer entitlements, accruals for pension obligations, accruals for environmental obligations, allowances for doubtful loans, accruals for liabilities valued through actuarial valuations, such as long term disability, severance, sick pay obligations and workers compensation claims and advances and provision for losses on guarantees.

The nature of the uncertainty related to the accrual of health and social transfer payments from the Government of Canada and individual and corporate income taxes arises because of the possible differences between the estimates for the economic factors used in calculating the accruals and actual economic results. The uncertainty related to accruals for pension obligations arises because actual results may differ significantly from the Government's best estimates of expected results based on variables such as earnings on the pension investments, salary increases and the life expectancy of claimants. The uncertainty related to the accrual of environmental obligations is based upon the identification of all sites where environmental damages have occurred that are the Government's responsibility to mitigate and the quantification of what the actual liability will be based upon impact studies. Uncertainty concerning the allowance for doubtful loans and advances is based upon actual collectability and changes in economic conditions.

While management's best estimates have been used for reporting items subject to measurement uncertainty, it is possible that changes in future conditions in the near term could require a material change in the valuation of the reported amounts. Near term is defined as a period of time not to exceed one year from the date of the financial statements.

2. TEMPORARY INVESTMENTS

	($ millions) 2012	2011
Temporary investments	286	345

Temporary investments are recorded at cost, which approximates market value. Temporary investments consist of investments with financial institutions, government bonds and other short term investment vehicles. All of the securities have terms to maturity of less than one year.

3. PORTFOLIO INVESTMENTS

	($ millions) 2012	2011
Sinking funds	1,736	1,814
Other investments	1,009	906
Unamortized termination losses on derivative contracts	39	45
	2,784	2,765

Portfolio investments are recorded using the cost method. Under this method, any discount or premium arising on the purchase of a fixed term security is amortized over the period to maturity. Portfolio investments are written down to market value only in those circumstances where the loss in value is other than temporary in nature. As at March 31, 2012, the market value of portfolio investments was $2,745 million (2011 - $2,719 million). Portfolio investments earned $81 million during the year (2011 - $83 million).

Sinking Funds

Section 60 of *The Financial Administration Act* authorizes the Minister of Finance to provide for the creation and management of sinking funds for the orderly retirement of debt. The Government's sinking fund currently provides for the repurchase of foreign debt and the pre-funding of maturing debt issues. The sinking fund is invested principally in securities issued or guaranteed by federal and provincial governments. Sinking funds are invested in fixed income securities as follows:

	($ millions) 2012		2011	
	Book Value	Fair Value	Book Value	Fair Value
Government of Canada, direct and guaranteed	220	224	266	271
Provincial, direct and guaranteed	1,323	1,303	1,334	1,306
Municipal	165	170	167	175
Corporate	28	24	47	44
	1,736	1,721	1,814	1,796

Investment revenue earned on sinking funds during the year was $67 million (2011 - $67 million).
The sinking funds are allocated as follows:

	($ millions) 2012	2011
Core Government	1,859	1,873
Crown Organizations	-	23
Total sinking funds	1,859	1,896
Less: Uninvested portion of sinking funds held in cash and cash equivalents	(123)	(82)
Total sinking funds held in portfolio investments	1,736	1,814

Other Investments

	($ millions) 2012	2011
Guaranteed investment certificates	81	5
Bonds – Government of Canada, provincial and municipal	368	284
Bonds – Corporate	422	490
Equity Investments	118	107
Investments in real estate	20	20
	1,009	906

As at March 31, 2012, the market value of other investments was $1,024 million (2011 - $923 million). Other investments earned $14 million during the year (2011 - $16 million).

4. EQUITY IN GOVERNMENT BUSINESS ENTERPRISES

The GBEs that are included in the summary financial statements are listed in Schedule 8 and are classified as follows:

Category	Definition
Utility	An enterprise which provides public utility services for a fee.
Insurance	An enterprise which provides insurance coverage services to the public for a fee.
Finance	Enterprises which provide regulatory control and are revenue generating or enterprises which use economy of scale to deliver goods and services to the public.

The operating results and financial position of each GBE category are reported in Schedule 3 to the Summary financial statements.

Included in the equity in GBEs are equities, which are restricted for use by provincial legislation and thereby not available to discharge Government liabilities or to finance other Government programs. The equity in GBEs is comprised of:

	($ millions) 2012	2011
Restricted Equity in Government Business Enterprises:		
Deposit Guarantee Corporation of Manitoba	190	162
Manitoba Hydro-Electric Board	2,777	2,756
Manitoba Lotteries Corporation	-	5
Manitoba Public Insurance Corporation	422	424
Workers Compensation Board	213	208
	3,602	3,555
Unrestricted Equity in Government Business Enterprises:		
Manitoba Lotteries Corporation	5	5
Manitoba Public Insurance Corporation	10	10
	15	15
Equity in Government Business Enterprises	3,617	3,570

5. PENSION PLANS

The Government participates in various pension plans. The two primary plans, in which the Government directly participates, are the Civil Service Superannuation Plan, and the Teachers' Pension Plan. As per the Acts that administer these plans, the Government is responsible for 50% of pension benefits earned by employees. The Government's pension liability reflects its share of the actuarial present values of pension benefits attributed to services rendered by employees and former employees, net of any plan assets which are set aside by the Government in an irrevocable trust. As of March 31, 2012, the pension liability for the Civil Service Superannuation Plan was $613 million (2011 - $794 million) and the pension liability for the Teachers' Pension Plan was $1,009 million (2011 - $903 million).

Other pension plans in which the Government participates include the Members of the Legislative Assembly Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan and the Winnipeg Child and Family Services Employee Benefits Retirement Plan. The Government is responsible for any excess of accrued pension benefits over pension fund assets for these plans.

The Government also includes several other pension plans in its pension liability. These other plans include post-secondary education pension plans and public school divisions' pension plans. Post-secondary education pension plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan. Public school divisions' pension plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division and Retirement Plan for Employees of Frontier School Division.

Employees in the health sector are members of the Health Care Employees Pension Plan, a multi-employer defined benefit pension plan established between employees and participating boards. Because the Government does not sponsor this plan, the accrued benefit liability of this plan is not recognized in these financial statements. The annual net benefit plan expense is the amount of required contributions provided for employees' services rendered during the year. During the year, the Government expensed contributions to this plan of $129 million (2011 - $113 million). At December 31, 2011 the Plan had a deficiency of net assets available for benefits over pension obligations of $547 million. The Plan is addressing this deficiency through increased employer and employee contributions and exercising due diligence in evaluating investment and other management decisions.

As at March 31, 2012, the total pension liability being reflected in the summary financial statements was $1,634 million (2011 - $1,731 million). Details related to the pension liability are provided in Schedule 6 to the Summary financial statements. The following provides general information on the contributions and benefit formulae of the various pension plans, which are included in this schedule.

A. Civil Service Superannuation Plan

The Civil Service Superannuation Act (CSSA) established a defined benefit plan to provide benefits to employees of the Manitoba Civil Service and to participating agencies of the Government through the Civil Service Superannuation Fund (CSSF).

The lifetime pension calculation equals 2% of a member's best five-year average yearly pensionable earnings multiplied by pensionable service, minus 0.4% of the average Canada Pension Plan (CPP) earnings multiplied by pensionable service since January 1, 1966.

The CSSA requires employees to contribute 6.0% of pensionable earnings up to the CPP maximum pensionable earnings, and 7.0% on pensionable earnings above the maximum. Commencing on July 1, 2012 employee contributions will be increasing by .5% per year until the 2015 calendar year. At that time employees will be required to contribute 8.0% of pensionable earnings up to the CPP maximum pensionable earnings, and 9.0% on pensionable earnings above the maximum. 89.8% of employee contributions are used to fund basic benefits and 10.2% of employee contributions are allocated to funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees. Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in CSSF can finance one-half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

B. Teachers' Pension Plan

The Teachers' Pensions Act (TPA) established a defined benefit plan to provide pension benefits to teachers who have taught in public schools in Manitoba.

The lifetime pension calculation is generally based upon 2% of a member's average salary of the best five of the final 12 years of service (best seven prior to July 1, 1980) multiplied by pensionable service, minus the years of service multiplied by 0.6% of the annual salary up to the yearly maximum pensionable earnings. The pension amount is subject to a maximum of 70% of the average annual salary used above.

The TPA requires that teachers contribute 6.8% of pensionable earnings up to the CPP maximum earnings, and 8.4% of pensionable earnings above the maximum. Commencing September 1, 2012 teacher contributions will be increasing at .5% per year until September 1, 2015. At that time the TPA will require teachers to contribute 8.8% of pensionable earnings up to the CPP maximum pensionable earnings and 10.4% of pensionable earnings above the maximum. 83.3% of teacher's contributions are used to fund basic benefits and 16.7% of teachers contributions are allocated for funding indexing benefits. The Government funds 50% of the monthly pension retirement benefits paid to retirees.

Indexing benefits are not guaranteed and are paid only to the extent that the indexing adjustment account in Teachers' Retirement Allowances Fund can finance one half of the cost-of-living increases granted. The maximum annual adjustment is limited by legislation to two-thirds of the increase in the Consumer Price Index for Canada.

C. Other Government Plans

(i) Members of the Legislative Assembly Plan

The pension plan for Members of the Legislative Assembly (MLAs) is established and governed by *The Legislative Assembly Act* (LAA).

For MLAs elected prior to the dissolution of the Assembly of the 35th Legislature, the LAA provides for defined pension benefits based on years of service to April 1995. The calculation for defined pension benefits is equal to 3% of the average annual indemnities for the last five years served as a member or all the years served; if less than five, multiplied by the number of years of pensionable service up to April 1995. These entitlements are fully indexed to cost of living increases.

For those MLA's elected after the 35th Legislature in April 1995, the LAA provides for matching contributions. Under the matching contributions provisions, MLAs may contribute up to 7% of their remuneration toward a Registered Retirement Savings Plan (RRSP) of their choice. The Government matches the member's contributions on a current basis; consequently, there is no liability for past service benefits under this component of the plan. In the event that a member withdraws money from the RRSP, while an active member of the Legislative Assembly, the Government's contribution would be refundable back to the Government.

(ii) Legislative Assembly Pension Plan

The Members' Retirement Benefits Regulation of *The Legislative Assembly Act* established a defined benefit plan, effective April 1, 2004 that provides pension benefits to eligible MLAs who elect to participate in the plan.

The pension benefits accumulate up to a maximum period of 35 years at 2% per year of pensionable service based upon the average of the best five-year annual salaries, reduced by an amount equal to 0.25% times the number of months before the member's 60th birthday that the first pension payment is made. These entitlements are indexed to 2/3 of cost of living increases.

Active members must contribute 7% of their earned salary to the plan. The Government makes contributions as necessary to ensure the pension fund has sufficient assets to cover the monthly pension payments to retirees as well as ensuring there are sufficient funds to cover any of the plans liabilities. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

(iii) Judges' Supplemental Pension Plan

Manitoba Provincial Court Judges and Masters are members of the Civil Service Superannuation Plan; however, they also receive enhanced pension benefits under the Manitoba Provincial Court Judges and Masters' Supplemental Pension Plan. These supplemental pension benefits for judges are the difference between the total pension benefits for judges, including the amendments introduced by Judicial Compensation Committees, and the formula pension available under *The Civil Service Superannuation Act* (CSSA) as described above in Note 5A.

The supplemental pension is generally based upon an accrual rate of 3% for each year of service, as a judge, up to a maximum of 23.5 years, reduced by the pension provided under the CSSA. The combined total of the Judges' Supplemental Pension and Civil Service Superannuation Pension is subject to a maximum of 70% of earnings. These enhanced benefits are entirely funded by the Government.

(iv) Winnipeg Child and Family Services Employee Benefits Retirement Plan

Established effective December 29, 2003, the Winnipeg Child and Family Services Employee Benefits Retirement Plan (WCFSP) applies to employees of the former Winnipeg Child and Family Services Agency, who transferred to the Department of Family Services and Labour.

The lifetime pension calculation equals 2% of the member's highest average pensionable earnings in any three non-overlapping periods of 12 consecutive months, less 0.6% of the average CPP earnings for the same period multiplied by years of pensionable service. Indexing payments are subject to approval by the Trustees, subject to increases in the Consumer Price Index.

Members are required to contribute 4.5% of pensionable earnings up to the CPP maximum and 6% on pensionable earnings over the maximum. Any surplus of plan assets over the pension obligation can be used by the Government to reduce future contributions.

D. Other Pension Plans

(a) Post-Secondary

(i) University of Manitoba Pension Plan

The University of Manitoba administers The University of Manitoba Pension Plan (1970), The University of Manitoba Pension Plan (1993), and The University of Manitoba GFT Pension Plan (1986). These are trusteed pension plans. The Trustees are responsible for the custody of the plans' assets and issuance of annual financial statements. The December 2009 funding valuation indicated that the University of Manitoba Pension Plan (1993) was in a funding deficiency position which the University is funding over fifteen years at an annual additional payment of $4 million. In addition the Plan was amended effective January 1, 2011 to provide for increases in employee and employer of .5% effective January 1, 2011, .5% effective January 1, 2012 and 1.0% effective January 1, 2013.

University of Manitoba Pension Plan (1993) is a money purchase plan with a defined benefit minimum. The funding for the plan requires a matching contribution from the University and the employees. The plan is not indexed. Retirement benefit is calculated by using the greater of the two methods: Formula and Plan Annuity. For each year of pensionable service, Formula benefit equals 2.0% of the average best five year salary, less 0.7% of the average best five year salary under the YMPE in the year of retirement, to a maximum of 1/9 of the Pension Plans money purchase limit. The benefit is reduced by ¼% for each month between the actual pension commencement date and the age of 65. Plan Annuity benefit is based on contribution account balance, age of the retirement, and the annuity factor determined by the plan actuary.

The University of Manitoba Pension Plan (1970) operates as a defined contribution or money purchase arrangement for service since 2003. Certain members retain an entitlement to a hybrid formula for the service prior to 2003, similar to the 1993 Plan.

The University of Manitoba GFT Pension Plan (1986) is a defined contribution pension plan; therefore there is no requirement for an actuarial valuation of this plan.

(ii) University of Winnipeg Pension Plan

The University of Winnipeg administers the University of Winnipeg Pension Plan (UWPP), which is comprised of a defined benefit segment and a defined contribution segment. The assets of the Plan are held in trust by independent custodians.

The UWPP was established as a contributory defined benefit pension plan at September 1, 1972 and covers all eligible employees of the University, except those who are members of the United Church of Canada Pension Plan. The funding for the plan requires a matching contribution from the University and the employees. Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of $1,722.22 per year of pensionable service. At December 2010 the Plan had a going-concern deficiency of $25 million which the University is addressing by making annual deficiency payments of $3 million until the deficiency is eliminated.

Since December 31, 2000, when the defined contribution segment of the Plan was introduced, approximately one-quarter of the eligible members converted to that plan. The obligation for pension benefits under the defined contribution segment of the Plan will always be equal to net assets in each member's account. Therefore, no surplus or deficiency arises from fluctuations in the investment market.

(iii) Brandon University Retirement Plan

Brandon University administers the Brandon University Retirement Plan, which is a trusteed pension plan. The Trustees are responsible for the custody of the Plan's assets and issuance of annual financial statements.

The Brandon University Retirement Plan is a final average contributory defined benefit pension plan established April 1, 1974 for the benefit of the employees of Brandon University. The funding for the plan requires a matching contribution from the University and the employees.

Annual pension equals 2.0% of the final five year average earnings multiplied by the years of pensionable service, less 0.6% of CPP average earnings for each year of pensionable service. The pension benefit is subject to a plan benefit maximum limit of $1,722.22 per year of pensionable service for members retired on or before April 1, 2009, and $1,975.00 for those retiring after that date.

(b) Public School Divisions

(i) The Winnipeg School Division Pension Fund for Employees Other Than Teachers

The Winnipeg School Division Pension Fund for Employees Other Than Teachers is a defined benefit pension plan for employees that meet specified employment conditions. The fund was created by By-law 196 of the Winnipeg School Division (replaced by By-law 1017 on January 1, 1992) and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.6% of a member's average pensionable salary and 2.0% of a member's average salary over the pensionable salary, multiplied by a member's years of pensionable service. The average salary is determined by averaging the best five years of employment salary in the last twelve years of service.

Employee contributions equal 6.5% of pensionable salary and 7.8% of the earnings in excess of pensionable salary up to the yearly maximum pensionable earnings, effective January 1, 2008. The percentages changed to 7.0% and 8.2% respectively, effective January 1, 2009. The Winnipeg School Division matches employee contributions and pays an additional 27.4% of employee contributions less the amount needed to finance the Disability Income Plan benefits (approximately 10%). As a result, employer contributions equal approximately 117.4% of employee contributions.

(ii) Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division

The St. James-Assiniboia School Division Retirement Plan for Non-teaching Employees is a defined

benefit pension plan that was established on January 1, 1978 and is subject to the applicable regulations.

The pension calculation is based on an amount equal to 1.4% of a member's average employment earnings below CPP earnings and 2.0% of a member's employment earnings in excess of the CPP earnings, multiplied by a member's years of contributory service. The average employment earnings are determined by averaging the best six years of employment earnings in the last 12 years of service.

Employee contributions equal 5.7% of CPP earnings and 7.3% of the employment earnings in excess of CPP earnings. The St. James-Assiniboia School Division matches employee contributions.

(iii) Retirement Plan for Employees of Frontier School Division

The Frontier School Division Retirement Plan is a defined benefit pension plan for non-teaching employees.

The pension benefit is based on an amount equal to 2.0% of a member's best average earnings, multiplied by a member's years of credited service. The average employment earnings are determined by averaging the best five years of employment earnings in the last ten years of service.

Employee contributions equal 6.0% of CPP earnings, with the Frontier School Division matching employee contributions. The Frontier School Division is responsible for the balance of the pension cost, of which a portion can be financed by an allocation from pension surplus.

E. Government Business Enterprises

Manitoba Hydro-Electric Board, Manitoba Liquor Control Commission, Manitoba Public Insurance Corporation and Manitoba Lotteries Corporation are members of the CSSF. The net pension liabilities for these GBEs are disclosed in Schedule 3.

6. CONTINGENCIES

A. Contingent Liabilities

i) Legal Actions

The Government has been named in various legal actions. No provision has been made at March 31, 2012 in the accounts where the final results are uncertain.

ii) Northern Development Projects

The Government is contingently liable for legal claims associated with past Manitoba Hydro-Electric Board (Hydro) related northern development projects. The outcome of these claims is not determinable at this time.

Hydro is party to an agreement dated December 16, 1977, with Canada, the Province of Manitoba and the Northern Flood Committee Inc., representing the five First Nations in the communities of Cross Lake, Nelson House, Norway House, Split Lake and York Landing. This agreement, in part, provides for compensation and remedial measures necessary to ameliorate the impacts of the Churchill River diversion and the Lake Winnipeg Regulation projects.

In recognition of all anticipated payments, Hydro has recorded a total liability of $251 million (2011 - $185 million). Reassessments of these liabilities will be made as settlements are achieved. There are other mitigation issues, the outcomes of which are not determinable at this time.

iii) Canadian Blood Services

The majority of provincial and territorial governments of Canada, including Manitoba, are members of, and provide funding to, Canadian Blood Services, which operates the Canadian blood system. The March 31,

2012 audited financial statements of Canadian Blood Services indicate that a wholly owned subsidiary, CBS Insurance Company Limited, provides for the contingent liabilities for risks related to operations of the blood system. The actuarially determined provisions for future insurance claims, reported and unreported, related to insured events that occurred prior to March 31, 2012 is $250 million (2011 - $250 million). The related assets as at March 31, 2012 total $349 million (2011 - $333 million). The subsidiary also had a re-insurance contract for additional coverage of $750 million.

Based upon the above, the Government's share of the provision for future claims as at March 31, 2012 is offset with designated assets, which at that point exceed the provision. In addition, there is re-insurance to cover an additional $750 million in claims of insured events occurring on or before March 31, 2012. The Government is not aware of any proceedings that could lead to a claim against it given the existing arrangement in place.

iv) Treaty Land Entitlement Obligations

To meet the Government's obligation under treaty land entitlement agreements, approximately 590,212 acres of provincial Crown lands have been transferred to the Government of Canada for First Nations. The Government's obligations under the treaty land entitlement agreements require the setting aside of 1,426,454 acres of Crown lands and Other Lands (Acquisition). To date, approximately 980,845 acres of Crown lands have been selected by the Entitlement First Nations. The Crown lands will be transferred according to the Natural Resources Transfer Agreement, and the transfer will include mines and minerals and other interests normally reserved for the Government, under The Crown Land Act or any other statute.

v) Credit Union Guarantees

The Deposit Guarantee Corporation of Manitoba has guaranteed $18.8 billion (2011 - $16.2 billion) in credit union deposits at the end of their current fiscal year. Based upon ongoing monitoring procedures, the Corporation has concluded that a provision for such contingencies does not need to be established at this time.

vi) Environmental Issues

The Manitoba Hydro-Electric Board will incur future costs associated with the assessment and remediation of contaminated lands and for the phase-out and destruction of polychlorinated biphenyl contaminated mineral oil from electrical equipment. A reasonable estimate of the associated costs cannot be made at this time.

B. Loan Guarantees

The Government has guaranteed the repayment of debt, promissory notes, bank loans, lines of credit, mortgages and securities held by others. Debt guaranteed by the Government is guaranteed, as to principal and interest, until the debt is matured or redeemed. The authorized limits and the outstanding guarantees are summarized as follows:

	Authorized Limit	($ millions) 2012	2011
Manitoba Business Start Program	5	4	2
Manitoba Agricultural Services Corporation (Note 6B.a)	-	82	90
Manitoba Student Aid Program (Note 6B.b)	20	1	1
Manitoba Housing and Renewal Corporation (Note 6B.c)	-	14	4
Multi-Material Stewardship Manitoba Inc.	1	-	-
Rural Municipality of Richot	1	-	-
		101	97
Manitoba Grow Bonds		3	3
Total guarantees outstanding		104	100

A provision for future losses on guarantees in the amount of $19 million (2011 - $21 million) has been recorded in the accounts. The provisions for losses on guaranteed loans are determined by a review of

individual guarantees. The provision represents the best estimate of probable claims against the guarantees. Where circumstances indicate the likelihood of claims arising, provisions are established for those loan guarantees.

Manitoba HydroBonds Guarantees

Outstanding Manitoba HydroBonds as at March 31, 2012 totalled $330 million (2011 - $241 million). These bonds carry fixed and variable coupon rates that range from 1.75% to 9.38%. Manitoba HydroBonds are redeemable at the option of the holder. The Government guarantees $254 million (2011 - $163 million) of these outstanding bonds.

Note 6B.a) Manitoba Agricultural Services Corporation

The Manitoba Agricultural Services Corporation has guaranteed loans under the following programs:

Program	General Terms and Conditions
Operating Credit Guarantee	Each participating lending institution is guaranteed 25% of the respective value of loans made under this program.
Manitoba Livestock Associations Loan Guarantees	Each association is guaranteed 25% of the loan to a maximum guarantee of $5 million.
Diversification Loan Guarantee Program	Each participating lender is guaranteed 25% of the loan made for the diversification or farm value-added activities, to a maximum individual guaranteed loan allowable of $3 million.
Enhanced Diversification Loan Guarantee Program	Guarantees are based on 25% of the original principal amount of each individual loan, with no maximum loan amount.
Rural Entrepreneur Assistance (REA) Program	Each participating lender is guaranteed up to 80% of the loan made to small rural non-agricultural business to a maximum guarantee of $0.2 million.

Note 6B.b) Manitoba Student Aid Program

The Government guarantees three types of student loans, issued in the past 19 years, as follows:

Loan type	Nature of loan
Guaranteed loans	Issued by the Canadian Imperial Bank of Commerce (CIBC) from April 1, 1993 to December 31, 1994. These loans are fully guaranteed, if the loan is deemed to be in default.
Limited risk loans	Issued by the CIBC from January 2, 1995 to December 31, 1997 and issued by the Royal Bank from June 2, 1997 to July 31, 2000. The Government only guarantees those loans in default that have been issued to credit abusers, insolvent creditors and minors.
Non-risk loans	Issued by the Royal Bank from August 1, 2000 to July 31, 2001. The Government has agreed to guarantee and purchase any loan deemed to be in default.

Note 6B.c) Manitoba Housing and Renewal Corporation

The Government has guaranteed the repayment of mortgages and has issued letters of credit which guarantee the terms and conditions of land development agreements and construction contracts.

7. CONTRACTUAL OBLIGATIONS

The Government has entered into a number of multi-year contracts and agreements for the delivery of services and the acquisition or construction of assets. These contractual obligations will become liabilities in the future when the terms of the contracts are met. The following represents the amounts required to satisfy the contractual obligations, by the year that it is anticipated that the terms of the contract will be met, as at March 31:

($ millions)	2013	2014	2015	2016	2017	2018 and beyond	Total
Government departments, Crowns and Special Funds	503	142	98	78	65	204	1,090
Government Business Enterprises	812	7	6	6	5	36	872
Total	1,315	149	104	84	70	240	1,962

Manitoba Hydro Commitments

Manitoba Hydro-Electric Board (Hydro) purchased the net assets of Winnipeg Hydro from the City of Winnipeg in 2002. Winnipeg Hydro was an electric utility with 94,000 customers and annual revenues of $125 million. The purchase consideration principally consisted of annual payments by Hydro to the City of Winnipeg of $25 million in years 2002 to 2006, $20 million per annum in years 2007 to 2011, and $16 million per annum in year 2012 and each year thereafter. The net assets and related financing obligations are reflected in Hydro's financial statements.

Hydro has energy purchase commitments of $1,651 million (2011 - $1,562 million) that relate to future purchases of wind, natural gas (including transportation and storage contracts), coal and electricity. Commitments are primarily for wind, which expire in 2038, and natural gas purchases, which expire in 2013.

Stadium Loan

BBB Stadium Inc. is a non-profit corporation established to develop, own and operate a stadium as a venue for professional and university football and community athletics. The sole members of BBB Stadium Inc. are the City of Winnipeg, the University of Manitoba and the Winnipeg Football Club. Activities of BBB Stadium Inc. are managed by the directors comprised of the University of Manitoba, the City of Winnipeg, the Province of Manitoba and the Winnipeg Football Club. The University of Manitoba has an economic interest in BBB Stadium Inc. related to the use of the stadium for university football games and events at no charge.

The Government has committed up to $160 million as a loan to the University of Manitoba, and the University of Manitoba has committed to loan $160 million to BBB Stadium Inc. As at March 31, 2012, $128 million (2011 - $24 million) of the committed loan had been advanced to BBB Stadium Inc.

8. DEBT SERVICING

Debt servicing costs of $815 million (2011 - $773 million) are net of interest recoveries from GBEs of $494 million (2011 - $468 million) and include $42 million (2011 - $32 million) representing interest expense of Crown organizations. GBEs debt servicing costs of $430 million (2011 - $433 million) are reported in Schedule 3.

9. ADJUSTMENTS TO ACCUMULATED DEFICIT

In the March 31, 2012 fiscal year, restatements of the March 31, 2011 accumulated deficit and net income for the year were made in compliance with the Government's accounting policies or for the correction of errors.

A. First Time Adoption of IFRS

The CICA's Accounting Standards Board has announced that effective January 1, 2011 Canadian publicly accountable enterprises will adopt International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board. GBEs, with the exception of rate regulated entities, as noted in Note 1C, are required to adopt IFRS for their financial reporting. This has resulted in an increase in the opening accumulated deficit and net debt of $30 million (2011 - $18 million).

B. Inclusion of New Entities into the Government Reporting Entity

Adjustments were made to the opening accumulated deficit for the March 31, 2011 fiscal year to account for the addition of additional entities identified through a review of existing entities and the application of public sector accounting standards. The entities included the Deposit Guarantee Corporation of Manitoba which has been classified as a government business enterprise. This has resulted in a decrease in the opening accumulated deficit and net debt of $164 million (2011 - $147 million decrease).

C. Correction of Accrued Sick Pay Benefit liabilities

During the previous year, it was noted that a liability for accrued sick pay benefit obligations was not reported on the summary financial statements in accordance with public sector accounting standards. Under public sector accounting standards, liabilities are to be reported when there is an appropriate basis of measurement of the value of the liability. This was accomplished during the current fiscal year. The correction of this misstatement has resulted in an increase to the opening accumulated deficit and net debt of $62 million (2011 - $62 million increase).

D. Correction of Healthcare liabilities

During the year, it was noted that a liability for healthcare related expenses was overstated resulting in a duplication of certain expenditures. The correction of this misstatement has resulted in a decrease to the opening accumulated deficit and net debt of $133 million (2011 - $63 million).

E. Correction of Pension liability

When certain funded pensions are in a surplus position and the government does not have access to the use of the surpluses a surplus adjustment or allowance is required correctly reflect the government's overall pension obligation. During the year it was noted that the surplus adjustments that were recorded in previous years were incorrectly calculated and had been overstated. The correction of this misstatement has resulted in a decrease to the opening accumulated deficit and net debt of $41 million (2011 - $32 million) and an increase in the 2011 income of $9 million.

F. Other

During the year, the Government identified and corrected errors related to the valuation of certain accounts payable and the duplication of expenditures recognized in previous years. This correction resulted in an increase in opening financial assets of $55 million, a decrease in opening tangible capital assets of $46 million, a decrease in opening accumulated deficit of $10 million (2011 - $2 million) and net debt of $56 million (2011 - $31 million) and an increase of 2011 income of $8 million.

During the year a correction was made to reduce deferred revenue for income earned in a previous year. This correction resulted in a decrease in opening accounts payable of $10 million, a decrease in opening accumulated deficit and net debt of $10 million (2011 - $10 million) and no change to the 2011 income.

As a result of the above noted changes, the opening net debt has decreased by $312 million (2011 - $203 million) from the previously reported balances of $12,837 million (2011 - $11,810 million). In addition, the combined effect of the above changes has increased 2011 financial assets by $219 million, decreased 2011 non-

financial assets by $46 million and decreased 2011 financial liabilities by $93 million.

10. AMOUNTS DUE TO THE GOVERNMENT OF CANADA

The March 31, 2003 financial statements disclosed that the net impact of the federal settlement related to the Federal accounting error for the period of 1997 to 1999 was a $91 million loan payable owing to the Government over a ten-year period commencing in 2004/05. As at March 31, 2012, this loan payable has been reduced to $18 million (2011 - $27 million).

To offset negative adjustments to the 2004 Equalization payments, the Government of Canada provided a loan payable to the Government of $38 million repayable over a ten-year period, commencing in April 2006. As at March 31, 2012, this loan payable had been reduced to $15 million (2011 - $19 million). Similarly, to offset negative adjustments to the 2004 Canada Health and Social Transfer (CHST) entitlements, the Government of Canada provided a loan payable to the Government of $9 million repayable over a ten-year period, commencing in April 2006. As at March 31, 2012 this loan payable had been reduced to $4 million (2011 - $4 million). These loans are non-interest bearing.

Through the Manitoba Opportunities Fund Ltd., the Government holds and invests deposits made through the Federal Department of Citizenship and Immigration, Canada's Immigrant Investor Program. As at March 31, 2012, the Government has loans payable of $299 million (2011 - $267 million) to be repaid to the Government of Canada five years after receipt. The Government is charged an administrative fee for each loan.

11. AMOUNTS HELD IN TRUST

Amounts held in trust are assets over which the Manitoba Legislature has no power of appropriation. The amounts are not included in the summary financial statements because the Government has no equity in the amounts and administers them according to trust or other agreed-upon arrangements. As at March 31, 2012 amounts held in trust were as follows:

	($ millions)	
	2012	2011
Fiduciary Trusts	593	538
Custodial Trusts	111	114
	704	652

Fiduciary Trusts

The Government holds certain interest bearing deposits as fiduciary trusts. These deposits are pooled with the Government's investments in order to earn a market rate of interest.

Custodial Trusts

The Government holds custodial trust funds in the form of bonds and other securities.

12. RISK MANAGEMENT AND THE USE OF DERIVATIVE FINANCIAL INSTRUMENTS

Borrowings in both Canadian and foreign financial markets result in exposure to risks, which include foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Government employs various risk management strategies and operates within fixed risk exposure limits to ensure exposure to risk is managed in a prudent and cost effective manner. A variety of strategies are used, including the use of derivative financial instruments (derivatives).

Derivatives are financial contracts, the value of which is derived from underlying instruments. The Government uses derivatives to hedge and to mitigate foreign exchange risk and interest rate risk. The Government does not use derivatives for speculative purposes.

Foreign exchange risk

Foreign exchange risk is the risk that the cash flows needed to repay the interest and principal on loans in foreign currencies will vary due to fluctuations in foreign exchange rates.

To manage this risk, the Government uses derivative contracts, including foreign exchange forward contracts as well as swaps, to convert foreign currency principal and interest cash flows into Canadian dollar denominated cash flows. The current portfolio of foreign debt is fully hedged through the use of derivatives and U.S. dollar sinking funds, except for the impact of the unamortized foreign exchange fluctuation account of $44 million (2011 - $50 million). This account is fixed with no sensitivity to future foreign exchange rates.

Derivative contracts hedge the underlying debt by matching the critical terms to achieve effectiveness. The current policy has hedged the foreign currency debt principal and interest payments through the use of derivatives in relation to general purpose debt.

Manitoba Hydro-Electric Board (Hydro) has exposure to U.S. dollar foreign exchange fluctuations primarily through the sale and purchase of electricity and fuel in the U.S. This exposure is managed through a long-term natural hedge between U.S. dollar cash inflows from export revenues and U.S. dollar cash outflows for long-term debt coupon and principal payments and thermal fuel purchases. For its U.S. debt retirement purposes, Hydro has a hedging relationship between U.S. dollar long-term debt balances and U.S. sinking funds. As a means to bridge temporary timing differences between inflows and outflows to future years' U.S. dollar requirements, Hydro also utilizes derivative foreign exchange forward contracts as required.

Interest rate risk

Interest rate risk is the risk that debt servicing costs will vary unfavourably according to interest rate fluctuations.

To reduce its exposure to interest rate risk, the Government uses derivatives to manage the fixed and floating interest rate mix of its debt portfolio.

After taking into account derivatives used to manage interest rate risk, investments held as sinking funds and eliminating debt incurred on behalf of Manitoba Hydro-Electric Board, the structure of the core debt as at March 31, 2012 was 90% at fixed rates and 10% at floating rates (2011 – 90% at fixed rates and 10% at floating rates). A one percent (100 basis points) movement in interest rates on the 10% floating rate core debt for an entire year would increase/decrease debt servicing costs, net of recoveries, by $18 million (2011 - $16 million).

Credit risk

Credit risk is the risk that a counterparty will default on its contractual obligations.

The Government manages its credit risk exposure from derivatives by, among other activities, dealing only with high credit quality counterparties and regularly monitoring compliance to credit limits. In addition, the Government enters into contractual agreements ("master agreements") with all of its counterparties. As at March 31, 2012 the Government has a gross credit risk exposure related to derivatives of $105 million (2011 - $138 million).

Liquidity risk

Liquidity risk is the risk that the Government will not be able to meet its financial commitments over the short term.

To reduce liquidity risk, the Government maintains liquid reserves (i.e. cash and cash equivalents) at levels that will meet future cash requirements and will give the Government flexibility in the timing of issuing debt. In addition, the Government has short-term note programs, bank lines and sinking funds as alternative sources of liquidity. This risk is also managed by distributing debt maturities over many years.

Derivative portfolio

The following table presents the fair value of derivative financial instruments with contractual or notional principal amounts outstanding at March 31:

	($ millions)			
	2012		2011	
	Notional Value	Fair Value	Notional Value	Fair Value
Interest rate and cross currency swaps	35,965	(1,121)	32,157	(593)

Notional amounts of derivatives contracts represent the contractual amounts to which a rate or price applied for computing the cash flows to be exchanged. The notional amounts are used to determine the gains/losses and fair value of the contracts and are generally a measure of the exposure to the asset class to which the contract relates. They are not recorded as assets or liabilities on the statement of financial position. Notional amounts do not represent the potential gain or loss associated with the market risk or credit risk associated with the derivative contract.

Fair values of the swap agreements are the estimated amount that the Government would receive or pay, based on market factors, if the agreements were terminated on March 31. They are established by discounting the expected cash flows of the swap agreements using year-end market interest and exchange rates. A positive (negative) fair value indicates that the government would receive (make) a payment if the agreements were terminated.

13. SIGNIFICANT TRANSACTIONS WITH GOVERNMENT BUSINESS ENTERPRISES

Transactions with GBEs are not eliminated for purposes of summary reporting because they are reported in these summary financial statements using the modified equity method of accounting. These financial statements include the following transactions between the Government and GBEs:

A. Accounts Receivable

Amounts receivable includes receivables from GBEs as reported in Schedule 1 to the Summary financial statements. Loans and advances to GBEs are reflected in Schedule 2 to the Summary financial statements.

B. Borrowings

Borrowings include $508 million (2011 - $475 million) owed to Manitoba Public Insurance Corporation (MPIC) relating to the capital financing of school board and health care facilities. Borrowings also include debt in the amount of $233 million (2011 - $289 million) and $40 million (2011 - $40 million) owed to MPIC and Manitoba Hydro-Electric Board respectively, related to the financing of other Government programs.

These borrowings are repayable over a term from 2012 to 2042 at varying interest rates ranging from 1.28% to 10.75%.

C. Water Power Rentals

Water power rental fees charged to the Manitoba Hydro-Electric Board (Hydro), in the amount of $111 million (2011 - $114 million), are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category. Water power rental rates are authorized by Regulation 25/88 and 197/2001 under *The Water Power Act*. Rentals are paid to the Government for the use of water resources in the operation of Hydro's hydroelectric generating stations.

D. Fees and Government Guarantees

The Manitoba Hydro-Electric Board (Hydro) remitted $85 million (2011 - $80 million) to the Government based on the Hydro debt that is guaranteed by the Government. The fees are included in the Consolidated Statement of Revenue and Expense under the sinking funds and other investment earnings category.

E. Driver Licensing Operations

The Government, by agreement, paid $28 million (2011 - $21 million) to Manitoba Public Insurance Corporation (MPIC) for the management and administration of driver licensing. MPIC, on behalf of the Government, collected driver licensing fees totalling $23 million (2011 - $21 million) and motor vehicle registration fees totalling $137 million (2011 - $131 million).

The fees received by the Government are included in the Consolidated Statement of Revenue and Expense under the fees and other revenue category.

F. Other Revenue

Under *The Workplace Safety and Health Act of Manitoba*, the Workers Compensation Board supports the administrative expenses incurred by the Government's Department of Labour and Immigration for the Workplace Safety and Health program and the Worker Advisor Office. The amount for the year ended March 31, 2012 was $9 million (2011 - $9 million).

The Manitoba Lotteries Corporation provided $4 million in funding for the year ended March 31, 2012 (2011 - $4 million) to the Addictions Foundation of Manitoba for problem gambling services programs.

Manitoba Hydro-Electric Board paid Corporation Capital Tax of $51 million for the year ended March 31, 2012 (2011 - $51 million).

These amounts received by the Government are included in the Statement of Revenue and Expense under the fees and other revenue and other taxes categories.

14. EXPENSES IN EXCESS OF LEGISLATIVE AUTHORITY

In addition to producing a summary budget as presented on the summary financial statements, Consolidated Statement of Revenue and Expense, the Government continues to provide budget estimates for the Core Government revenue and expenses. PSAB accounting standards recommend disclosure of information where a government has exceeded its revenue, borrowing, investing, expense or expenditure authority limits. The budget estimate presented on the Consolidated Statement of Revenue and Expense, exclude $929 million in supplemental estimates and special warrants related to the Core Government. The original budget estimate amounts plus the $929 million in supplemental estimates and special warrants becomes the revised estimates, against which expenses in excess of legislative authority are determined.

Based upon the revised estimates, the following voted appropriations were over-expended as a result of adjustments made after March 31, 2012:

	($ millions)
Education	
Education and School Tax Credits	21
Finance	
Net Tax Credit Payments	5
Infrastructure and Transportation	
Water Stewardship Initiatives	1
Innovation, Energy and Mines	
Mineral Resources	22
Justice	
Corrections	1
Local Government	
Financial Assistance to Communities	1

15. SUBSEQUENT EVENT

Included in Budget 2012 was the proposal to reduce the number of Regional health Authorities through amalgamation. On May 20, 2012, a regulation was registered in respect to the *Regional Health Authorities Act* stating that the following amalgamations were to occur;

New Authority	Amalgamated Entities
Interlake-Eastern Regional Health Authority	Interlake Regional Health Authority Inc. North Eastman Health Association Inc.
Northern Regional Health Authority	Burntwood Regional Health Authority Inc. Nor-Man Regional Health Authority Inc.
Southern Regional Health Authority	Regional Health Authority – Central Manitoba Inc. South Eastman Health/Santé Sud-Est Inc.
Western Regional Health Authority	Assiniboine Regional health Authority Brandon Regional Health Authority Parkland Regional Health Authority Inc.
Winnipeg Regional Health Authority	Churchill Regional Health Authority Inc. Winnipeg Regional Health Authority

The health care services previously provided by the amalgamated entities will be carried on by the new Regional Health Authorities.

Budget 2012 also announced that the Manitoba Liquor Control Commission (MLCC) and Manitoba Lotteries Corporation (MLC) would be merged into a single entity. Both MLCC and MLC operate under a separate Act and will continue to function as a separate legal entity until they are combined under common legislation, which is anticipated to occur in 2013.

16. COMPARATIVE FIGURES

Certain 2011 financial statement figures have been reclassified to be consistent with the 2012 presentation.

SCHEDULE 1

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF AMOUNTS RECEIVABLE
As at March 31, 2012

	($ millions) 2012	2011
TAXATION REVENUE:		
Corporation capital tax	3	-
Gasoline tax	-	13
Levy for health and education	37	37
Individual income tax	173	165
Insurance corporations tax	20	16
Motive fuel tax	23	10
Oil and natural gas tax	1	4
Retail sales tax	167	163
Tobacco tax	30	25
	454	433
GOVERNMENT OF CANADA AND OTHER GOVERNMENTS:		
Municipal corporations	214	209
Government of Canada shared cost programs/agreements	592	256
Other	54	46
	860	511
INTEREST:		
Sinking fund	15	16
Other investments	3	5
	18	21
OTHER:		
Health and social services	123	121
Manitoba Hydro-Electric Board	9	15
Manitoba Liquor Control Commission	39	39
Manitoba Lotteries Corporation	19	19
Sundry departmental revenue	177	111
Other	184	185
	551	490
	1,883	1,455
Less: Allowances	206	114
Total Amounts Receivable	1,677	1,341

SCHEDULE 2

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF LOANS AND ADVANCES
As at March 31, 2012

	($ millions) 2012	2011
GOVERNMENT BUSINESS ENTERPRISES:		
Manitoba Hydro-Electric Board	9,095	8,467
Manitoba Lotteries Corporation	177	152
	9,272	8,619
Less: Debt incurred for and repayable by the Manitoba Hydro-Electric Board	9,095	8,467
	177	152
OTHER:		
Loans and mortgages - Note a	746	634
Assiniboine Park Conservancy - Note b	3	-
Manitoba Potash Corporation - Note c	4	4
Manitoba student loans - Note d	65	53
Family services agencies - Note e	29	26
Rural Economic Development Initiatives program - Note f	3	3
Other	1	1
	851	721
TOTAL LOANS AND ADVANCES	1,028	873
Less: Valuation allowance	73	71
NET LOANS AND ADVANCES	955	802

The government business enterprises loans and advances portfolio is due in varying annual amounts to the year 2063, bearing interest at either:

i) fixed with rates ranging from 2.375% to 10.50%; or

ii) floating Canadian - Bankers Acceptance (BA) setting, established monthly or quarterly, with the 1 month BA rate at 1.20000 and 3 month BA rate at 1.27714 as at March 31, 2012.

Note a

Agricultural direct lending and special assistance program mortgages, due in varying annual amounts to the year 2037, bearing interest rates ranging from 2.7% to 11.5%.	347	339
Housing direct lending and special assistance program mortgages, due in varying annual amounts to the year 2035, bearing interest rates ranging from 0.0% to 14.25%.	127	132
Business development assistance loans, due in varying annual amounts to the year 2040, bearing interest rates ranging from 0.0% to 7.375%.	246	136
Northern business development and fishing industry assistance loans, due in varying annual amounts to the year 2021, bearing interest rates ranging from 4.25% to 6.6%.	26	27
	746	634

Note b - Assiniboine Park Conservancy loans - repayable on or before December 31, 2013, bearing interest of prime plus 0.25%.

Note c - Advances, repayable on the Corporation generating revenue or the sale of the Province's interest, bearing interest at prime less 0.75%.

Note d - Student loans, payment and interest free until 6 months past the completion of studies, due 114 to 174 months after that time, carrying interest at prime plus 1.5%.

Note e - Advances to provide family services agencies with advances prepayment of fee for service charges, to be repaid when no longer required, bearing no interest.

Note f - Community Works Program loans, repayable at the end of the 5 to 10 year term, bearing interest at 6.32%.

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 3

GOVERNMENT BUSINESS ENTERPRISES

SCHEDULE OF CONSOLIDATED OPERATING RESULTS AND FINANCIAL POSITION

For the Year Ended March 31, 2012

($ millions)

CHANGES IN EQUITY	UTILITY	INSURANCE	FINANCE	TOTAL 2012	TOTAL 2011
Results from Operations					
Revenues from operations	1,902	1,412	1,449	4,763	4,867
Expenses: From operations	1,418	1,352	850	3,620	3,627
Debt servicing	423	-	7	430	433
Total expenses	1,841	1,352	857	4,050	4,060
Net income	61	60	592	713	807
Transfers to the Government	-	-	(592)	(592)	(582)
	61	60	-	121	225
Other Comprehensive Income (Loss)	(40)	(37)	-	(77)	142
Net assets acquired on amalgamation	-	8	-	8	-
Equity restatement on contributed surplus	-	-	(5)	(5)	-
Net increase in equity in government business enterprises	21	31	(5)	47	367
FINANCIAL POSITION					
Assets:					
Cash and temporary investments	50	148	41	239	185
Amounts receivable	332	341	38	711	769
Portfolio investments - Due from Government organizations	372	-	-	372	290
Due from others	-	3,370	-	3,370	3,567
Capital assets	11,479	144	222	11,845	11,010
Other assets	1,240	189	51	1,480	1,429
Total assets	13,473	4,192	352	18,017	17,250
Liabilities:					
Accounts payable, accrued liabilities and deferred revenue	1,187	676	144	2,007	2,155
Long-term debt: Owing to Government organizations	9,095	-	177	9,272	8,620
Other borrowings, discounts and deferred transaction costs	287	5	-	292	185
Provision for future benefits: Pension obligations	127	260	22	409	366
Future cost of existing claims	-	2,416	4	2,420	2,354
Total liabilities	10,696	3,357	347	14,400	13,680
Equity in government business enterprises	2,777	835	5	3,617	3,570

For government business enterprises whose fiscal year end is prior to March 31, the amounts reflected are as at their fiscal year end.

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 4

CONSOLIDATED STATEMENT OF BORROWINGS
As at March 31, 2012

($ millions)

Fiscal Year of Maturity	Bonds and Debentures Cdn	Bonds and Debentures US	Canada Pension Plan Cdn	Loans and Mortgages Cdn	Promissory Notes and Treasury Bills Cdn	Totals 2012	Totals 2011
2012	-	-	-	-	-	-	3,349
2013	2,101	-	73	72	1,435	3,681	2,104
2014	1,650	738	-	72	-	2,460	2,438
2015	2,345	100	-	66	-	2,511	1,792
2016	1,982	-	-	71	-	2,053	2,155
2017	2,028	500	-	55	-	2,583	1,278
2012-2017	10,106	1,338	73	336	1,435	13,288	13,116
2018-2022	5,537	699	15	-	-	6,251	4,794
2023-2032	2,289	-	-	210	-	2,499	2,510
2033-2064	6,084	-	404	-	-	6,488	5,096
2012-2043 Crown Organizations	505	-	-	266	-	771	757
2018-2064	14,415	699	419	476	-	16,009	13,157
Total borrowings	24,521	2,037	492	812	1,435	29,297	26,273
Reduced by:							
Debt incurred for and repayable by The Manitoba Hydro-Electric Board						(9,095)	(8,467)
Unamortized debt issue costs						(54)	(38)
Unamortized foreign currency fluctuation						(44)	(50)
Unamortized gains and losses on derivative contracts						98	46
Province of Manitoba debt issues held as investments in sinking funds and cash and cash equivalents						(599)	(614)
						19,603	17,150

	March 31/12 Cdn $ Valuation (See Notes)	March 31/11 Cdn $ Valuation (See Notes)
Borrowings payable in:		
Canadian dollars	22,410	20,101
Foreign issues hedged to Canadian dollars	4,850	4,288
U.S. dollars	1,699	1,555
Foreign issues hedged to U.S. dollars	338	329
Total borrowings	29,297	26,273

Note a: The hedges are derivative contracts which include swaps and forward foreign exchange contracts.

Note b: The Canadian dollar valuation is calculated using the foreign currency exchange rates in effect at each March 31 adjusted for any forward foreign exchange contracts entered into for settlement after year-end.

Note c: Interest rates on these borrowings fall into one of three categories:

i) Fixed with rates ranging from 1.54% to 10.68%.

ii) Floating Canadian - Bankers Acceptance (BA) setting, established quarterly or monthly, with the lowest rate currently set at 1.027% and the highest set at 4.56% as at March 31, 2012.

iii) Floating U.S. - U.S. Dollar London Interbank Offering Rate (LIBOR) setting, established quarterly, with the lowest rate currently set at 0.57% and the highest set at 0.87% as at March 31,2012.

SCHEDULE 5

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF ACCOUNTS PAYABLE, ACCRUED CHARGES, PROVISIONS AND UNEARNED REVENUE
As at March 31, 2012

	($ millions) 2012	2011
Accounts payable	1,300	1,224
Accrued charges:		
Interest accrued on borrowings	198	213
Canadian Agricultural Income Stabilization / AgriInvest	87	73
Compensation for Victims of Crime	22	23
Disaster assistance	211	28
Flood claims	16	17
Infrastructure works program	8	20
Long term disability income plan	21	20
Environmental liabilities	467	487
Salaries and benefits	691	667
Severance pay	367	342
Workers Compensation Board claims	25	25
Other	105	55
	2,218	1,970
Provision for future losses on guarantees (Note 6)	19	21
Unearned Revenue:		
Deferred contributions related to future expense	42	32
Government of Canada - Advances re: shared-cost programs not yet claimed	100	100
Research and Special Funds	88	104
Tuition and education fees	32	28
Vehicle registration	62	59
Other	41	37
	365	360
Total Accounts Payable, Accrued Charges, Provisions and Unearned Revenue	3,902	3,575

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 5

CONSOLIDATED STATEMENT OF PENSION LIABILITY

As at March 31, 2012

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans (Note A)	Public School Division Plans (Note A)	Other Plans (Note A)	Total 2012	Total 2011
				($ millions)			
ACCRUED BENEFIT OBLIGATION							
Obligation at beginning of year	2,372	2,962	1,293	374	97	7,118	6,625
Current service costs	63	74	48	16	2	203	197
Interest cost on benefit obligation	142	191	57	23	5	418	404
Change in actuarial (gains) losses and reserves	(47)	-	44	(2)	-	(5)	254
Plan amendment	-	-	(12)	-	-	(12)	-
Benefits paid	(112)	(158)	(90)	(19)	(5)	(384)	(362)
Obligation at end of year	2,418	3,089	1,340	392	99	7,338	7,118
PLAN ASSETS							
Plan assets at beginning of year	1,458	1,773	1,162	388	37	4,818	4,351
Employer contributions	63	74	36	8	4	185	178
Employee contributions	-	-	21	8	-	29	27
Transfer of plan assets	3	-	-	-	-	3	1
Plan asset contributions	240	-	-	-	-	240	180
Benefits paid	(112)	(158)	(90)	(19)	(5)	(384)	(362)
Expected return on plan assets	84	115	69	22	2	292	278
Experience gains (losses)	(122)	(36)	(97)	(13)	(3)	(271)	165
Market value of plan assets	1,614	1,768	1,101	394	35	4,912	4,818
Deferred investment losses (gains)	60	22	62	12	2	158	10
Market related value of plan assets	1,674	1,790	1,163	406	37	5,070	4,828
PENSION LIABILITY							
Plan deficit (surplus)	744	1,299	177	(14)	62	2,268	2,290
Unamortized actuarial gains (losses)	(131)	(290)	(205)	(19)	4	(641)	(573)
Surplus adjustments (Note B)	-	-	-	7	-	7	14
Pension liability	613	1,009	(28)	(26)	66	1,634	1,731
PENSION EXPENSE							
Defined benefit pension plan expense:							
Current service cost	63	74	48	16	2	203	197
Interest cost on benefit obligation	142	191	57	23	5	418	405
Return on plan assets	(84)	(115)	(69)	(22)	(2)	(292)	(278)
Employee contributions	-	-	(21)	(8)	-	(29)	(27)
Amortization of actuarial (gains) losses	4	30	15	2	(1)	50	24
Plan amendment	-	-	(12)	-	-	(12)	-
Change in surplus adjustments	-	-	-	(6)	(1)	(7)	2
Defined benefit pension plan expense	125	180	18	5	3	331	323
Defined contribution pension plan expense	-	-	4	15	129	148	132

SUMMARY FINANCIAL STATEMENTS

SCHEDULE 6

CONSOLIDATED STATEMENT OF PENSION LIABILITY

(cont'd)

As at March 31, 2012

	Civil Service Superannuation Plan	Teachers' Pension Plan	Post-Secondary Education Plans	Public School Division Plans	Other Plans	Total 2012	Total 2011
MEMBER DATA							
Defined benefit pension plan							
Number of active and deferred members	33,100	22,100	5,600	4,300	300	65,400	64,100
Number of pensioners	17,100	12,400	1,700	1,500	300	33,000	32,000
Total number of plan members	50,200	34,500	7,300	5,800	600	98,400	96,100
ACTUARIAL ASSUMPTIONS							
Discount rate on accrued benefits	6.00%	6.50%	5.00 - 5.75%	6.00%	5.00 - 5.50%		
Expected long-term rate of return	6.00%	6.50%	5.30 - 6.00%	6.00%	5.00 - 5.50%		
Inflation	2.00%	2.25%	2.00 - 2.75%	2.00 - 2.50%	2.00 - 2.50%		
Real rate of return	4.00%	4.25%	2.50 - 3.00%	3.50 - 4.00%	3.00 - 3.50%		
Rate of salary increase	3.75%	3.00%	3.40 - 4.00%	4.00 - 4.25%	3.00 - 3.50%		
Latest valuation	Dec 2010	Jan 2009	(Note C)	(Note C)	(Note C)		

Note A: Post-Secondary Education plans include the University of Manitoba Pension Plans, the University of Winnipeg Pension Plan and the Brandon University Retirement Plan.

Public School Division plans include the Winnipeg School Division Pension Fund for Employees Other Than Teachers, Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division and Retirement Plan for Employees of Frontier School Division.

Other plans include the Members of Legislative Assembly Pension Plan, the Legislative Assembly Pension Plan, the Judges' Supplemental Pension Plan, and the Winnipeg Child and Family Services Employee Benefits Retirement Plan.

Note B: For those plans that the Government is unable to access surplus funds within the plan, adjustments are made to record an allowance against these surplus amounts. These pension surplus allowances represent the excess of the adjusted benefit asset over the employers' share of the expected future benefit.

Note C: Latest actuarial valuation report dates are as follows:

- University of Manitoba Pension Plans	Dec 2009
- University of Winnipeg Pension Plan	Dec 2010
- Brandon University Retirement Plan	Dec 2011
- Winnipeg School Division Pension Fund for Employees Other than Teachers	Dec 2010
- Retirement Plan for Non-Teaching Employees of the St. James-Assiniboia School Division	Dec 2009
- Retirement Plan for Employees of Frontier School Division	Dec 2009
- Members of Legislative Assembly Pension Plan	Mar 2011
- Legislative Assembly Pension Plan	Dec 2010
- Judges' Supplemental Pension Plan	Mar 2010
- Winnipeg Child and Family Services Employee Benefits Retirement Plan	Dec 2010

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF TANGIBLE CAPITAL ASSETS

SCHEDULE 7

For the Year Ended March 31, 2012
($ millions)

	General Capital Assets					Infrastructure				Totals	
	Land	Buildings and Leasehold Improvements	Vehicles and Equipment	Computer Hardware and Software	Assets Under Construction	Land and Land Improvements	Transportation	Dams and Water Management Structures	Assets Under Construction	2012	2011
Cost											
Opening cost, as previously reported	232	6,026	2,133	663	849	300	3,227	133	669	14,232	12,925
Restatements, (Note 9)	(51)	3	4	-	(1)	-	-	-	-	(45)	(45)
Reclassifications	24	(121)	-	-	97	-	-	-	-	-	-
Opening cost restated	205	5,908	2,137	663	945	300	3,227	133	669	14,187	12,880
Add:											
Additions during the year	9	596	203	78	80	18	228	51	178	1,441	1,361
Less:											
Disposals and write downs	-	(25)	(32)	(10)	(42)	-	-	-	(1)	(110)	(54)
Settlements and reclassifications	-	100	17	21	(140)	8	163	336	(505)	-	-
Closing cost	214	6,579	2,325	752	843	326	3,618	520	341	15,518	14,187
Accumulated amortization											
Opening, as previously reported	-	2,638	1,461	419	-	53	1,365	63	-	5,999	5,600
Restatements, (Note 9)	-	(3)	4	-	-	-	-	-	-	1	1
Reclassifications	-	-	(1)	1	-	-	-	-	-	-	-
Opening accumulated amortization restated	-	2,635	1,464	420	-	53	1,365	63	-	6,000	5,601
Add:											
Amortization	-	158	137	56	-	4	116	5	-	476	438
Less:											
Accumulated amortization on disposals, write downs	-	(16)	(29)	(10)	-	-	-	-	-	(55)	(39)
Closing accumulated amortization	-	2,777	1,572	466	-	57	1,481	68	-	6,421	6,000
Net Book Value of Tangible Capital Assets	214	3,802	753	286	843	269	2,137	452	341	9,097	8,187

During the year, the Province capitalized $16 million of interest relating to assets under construction (2011 - $18 million).

SCHEDULE 8

FUNDS, ORGANIZATIONS AND BUSINESS ENTERPRISES COMPRISING THE GOVERNMENT REPORTING ENTITY

HEALTH AND HEALTHY LIVING

- Manitoba Health
- Manitoba Healthy Living, Seniors and Consumer Affairs
- Addictions Foundation of Manitoba
- Funeral Board of Manitoba
- CancerCare Manitoba
- Companies Office
- Diagnostic Services of Manitoba Inc.
- Financial Literacy Fund
- Insurance Council of Manitoba
- Land Titles Assurance Fund
- Manitoba Health Services Insurance Plan
- Manitoba Hospital Capital Financing Authority
- Not-for-Profit Personal Care Homes
- Regional Health Authorities (including controlled organizations)
  - Assiniboine Regional Health Authority
  - Brandon Regional Health Authority
  - Burntwood Regional Health Authority Inc.
  - Churchill Regional Health Authority Inc.
  - Interlake Regional Health Authority Inc.
  - Nor-Man Regional Health Authority Inc.
  - North Eastman Health Association Inc.
  - Parkland Regional Health Authority Inc.
  - Regional Health Authority - Central Manitoba Inc.
  - South Eastman Health/Santé Sud-Est Inc.
  - Winnipeg Regional Health Authority
- Rehabilitation Centre for Children Inc.
- St. Amant Centre
- The Property Registry
- Vital Statistics Agency

EDUCATION

- Manitoba Advanced Education and Literacy
- Manitoba Education
- Assiniboine Community College
- Brandon University
- Université de Saint-Boniface
- Council on Post-Secondary Education
- Manitoba Text Book Bureau
- Public School Divisions
- Public Schools Finance Board
- Red River College

SCHEDULE 8
(cont'd)

EDUCATION, cont'd

University College of The North
University of Manitoba
University of Winnipeg

FAMILY SERVICES

Manitoba Children and Youth Opportunities
Manitoba Family Services and Labour
First Nations of Northern Manitoba Child & Family Services Authority
First Nations of Southern Manitoba Child & Family Services Authority
General Child and Family Services Authority
Métis Child and Family Services Authority Inc.
Office of the Fire Commissioner
Workplace Safety and Health Public Education Fund

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT

Manitoba Aboriginal and Northern Affairs
Manitoba Agriculture, Food and Rural Initiatives
Manitoba Conservation and Water Stewardship
Manitoba Entrepreneurship, Training and Trade
Manitoba Housing and Community Development
Manitoba Infrastructure and Transportation
Manitoba Innovation, Energy and Mines
Manitoba Local Government
Abandonment Reserve Fund
Communities Economic Development Fund
Community Revitalization Fund
Co-operative Loans and Loans Guarantee Board
Cooperative Promotion Board
Crown Lands and Property Agency
Economic Innovation and Technology Council
Ethanol Fund
Farm Machinery and Equipment Act Fund
Food Development Centre
Green Manitoba Eco Solutions
Manitoba Horse Racing Commission
Industrial Technology Centre
Leaf Rapids Town Properties Ltd.
Manitoba Agricultural Services Corporation
Manitoba Cattle Enhancement Council
Manitoba Community Services Council Inc.
Manitoba Development Corporation
Manitoba Education, Research and Learning
Information Networks (MERLIN)

SCHEDULE 8
(cont'd)

COMMUNITY, ECONOMIC AND RESOURCE DEVELOPMENT, cont'd

Manitoba Floodway and East Side Road Authority
Manitoba Gaming Control Commission
Manitoba Habitat Heritage Corporation
Manitoba Health Research Council
Manitoba Housing and Renewal Corporation
Manitoba Opportunities Fund Ltd.
Manitoba Trade and Investment Corporation
Manitoba Trucking Productivity Improvement Fund
Manitoba Water Services Board
Materials Distribution Agency
Mining Community Reserve
Mining Rehabilitation Reserve Fund
Pineland Forest Nursery
Quarry Rehabilitation Reserve Fund
Taking Charge! Inc. / Se Prendre En Main! Inc
Vehicle and Equipment Management Agency
Veterinary Science Scholarship Fund
Waste Reduction and Recycling Support Fund

JUSTICE AND OTHER EXPENDITURES

Legislative Assembly
Executive Council
Civil Service Commission
Manitoba Culture, Heritage and Tourism
Manitoba Finance
Manitoba Immigration and Multiculturalism
Manitoba Justice
Manitoba Sport
Civil Legal Services
Crown Corporations Council
Helen Betty Osborne Memorial Foundation
Le Centre culturel franco-manitobain
Legal Aid Manitoba
Manitoba Arts Council
Manitoba Boxing Commission
Manitoba Centennial Centre Corporation
Manitoba Film & Sound Recording Development Corporation
Manitoba Law Reform Commission
Manitoba Securities Commission

SCHEDULE 8
(cont'd)

JUSTICE AND OTHER EXPENDITURES, cont'd

Organization and Staff Development
Pension Assets Fund
Public Trustee of Manitoba
Special Operating Agencies Financing Authority
Sport Manitoba Inc.
Travel Manitoba
Venture Manitoba Tours Ltd.
Victims Assistance Fund

GOVERNMENT BUSINESS ENTERPRISES: (Schedule 3) (Note 4)

Utility:

Manitoba Hydro-Electric Board

Insurance:

Deposit Guarantee Corporation of Manitoba
Manitoba Public Insurance Corporation
Workers Compensation Board

Finance:

Manitoba Liquor Control Commission
Manitoba Lotteries Corporation

SPECIAL ACCOUNTS, not attached to a Sector or Department

Debt Retirement Account
Fiscal Stabilization Account

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

SCHEDULE 9

For the Year Ended March 31, 2012

($ millions)

	Health and Healthy Living		Education		Family Services and Labour		Community, Economic and Resource Development	
	2012	2011	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	-	-	-	-	-	-
Other taxes	-	-	691	690	-	-	29	14
Fees and other revenue	585	487	571	544	46	59	643	630
Federal transfers	1,018	970	122	128	3	5	438	450
Contributions from entities within the Government Reporting Entity	7	32	70	155	-	-	41	2
Sinking funds and other investment earnings	4	2	7	(3)	-	-	41	45
TOTAL REVENUE	1,614	1,491	1,461	1,514	49	64	1,192	1,141
EXPENSE								
Personnel services	3,046	2,905	2,406	2,365	190	187	418	390
Grants/Transfer payments	1,061	891	191	215	264	215	708	575
Transportation	62	43	31	30	6	4	34	71
Communication	15	11	24	25	5	4	18	15
Supplies and services	637	745	365	363	38	34	372	300
Social assistance related	-	4	4	3	531	901	842	100
Other operating	407	381	330	291	19	27	188	347
Debt servicing	51	44	128	122	1	1	208	190
Minor capital	19	11	52	46	1	1	15	14
Amortization	148	142	122	115	5	4	187	165
TOTAL EXPENSE	5,446	5,177	3,653	3,575	1,060	1,378	2,990	2,167
NET INCOME (LOSS) FOR THE YEAR	(3,832)	(3,686)	(2,192)	(2,061)	(1,011)	(1,314)	(1,798)	(1,026)

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED STATEMENT OF OPERATIONS BY SECTOR

SCHEDULE 9
(cont'd)

For the Year Ended March 31, 2012

($ millions)

	Justice and Other Expenditures		General Government (Note a)		Adjustments (Note b)		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	$	$	$	$	$	$	$	$
REVENUE								
Income taxes	-	-	3,124	2,922	-	-	3,124	2,922
Other taxes	-	-	2,811	2,702	-	-	3,531	3,406
Fees and other revenue	101	132	-	2	(40)	(26)	1,906	1,828
Federal transfers	51	50	2,699	2,444	1	-	4,332	4,047
Contributions from entities within the Government Reporting Entity	6	-	740	832	(151)	(214)	713	807
Sinking funds and other investment earnings	197	189	-	-	-	(3)	249	230
TOTAL REVENUE	355	371	9,374	8,902	(190)	(243)	13,855	13,240
EXPENSE								
Personnel services	467	469	38	12	6	4	6,571	6,332
Grants/Transfer payments	67	68	157	25	(251)	(436)	2,197	1,553
Transportation	10	10	17	24	1	1	161	183
Communication	14	14	1	1	-	-	77	70
Supplies and services	202	175	203	34	53	185	1,870	1,836
Social assistance related	32	30	-	-	-	-	1,409	1,038
Other operating	39	44	199	24	6	7	1,188	1,121
Debt servicing	436	424	-	-	(9)	(8)	815	773
Minor capital	3	2	-	-	-	1	90	75
Amortization	7	7	3	2	4	3	476	438
TOTAL EXPENSE	1,277	1,243	618	122	(190)	(243)	14,854	13,419
NET INCOME (LOSS) FOR THE YEAR	(922)	(872)	8,756	8,780	-	-	(999)	(179)

Note a: The general government category includes revenue from sources that cannot be attributed to a particular sector.

Note b: Consolidation adjustments are necessary to conform sectors to Government accounting policies and to eliminate transactions between sectors.

Note c: 2010/11 expenses have not been restated to reflect the impact of the 2011/12 reorganization. Had the 2010/11 expenses been restated then overall Health and Healthy Living expenses would have decreased by $5 million, Education would have decreased by $2 million, Family Services and Labour would have decreased $385 million, Community economic and Resource Development would have increased by $433 million and Justice and Other would have decreased by $41 million.

OTHER FINANCIAL REPORTS

FOR THE YEAR ENDED

March 31, 2012

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OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying Fiscal Stabilization Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2012 ("the statement"). The statement has been prepared by management based on section 65(1)(c)(ii) of the *Financial Administration Act*.

Management's Responsibility for the Statement
Management is responsible for the preparation of this statement in accordance with the *Financial Administration Act* and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial information in the Fiscal Stabilization Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2012 is prepared, in all material respects, in accordance with section 65(1)(c)(ii) of the *Financial Administration Act*.

Basis of Accounting
Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the entity to meet the requirements of Section 65(1)(c)(ii) of the *Financial Administration Act*. As a result, the statement may not be suitable for another purpose.

Unaudited Information
Without modifying our opinion, we draw attention to the Schedule of Supplementary Information which has been presented as unaudited information. The financial information in this schedule is not covered by our report and accordingly, we do not express an opinion on the information.

Original document signed by:
Carol Bellringer

August 29, 2012
Winnipeg, Manitoba

Carol Bellringer, FCA, MBA
Auditor General

500 - 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
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FISCAL STABILIZATION ACCOUNT
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2012

	($ thousands)	
	2012	**2011**
Transfer to Core Government operations	(155,401)	(125,315)
Account Balance, beginning of year	681,939	807,254
Account Balance, end of year	526,538	681,939

FISCAL STABILIZATION ACCOUNT
NOTES TO STATEMENT OF TRANSFERS AND ACCOUNT BALANCE
For the Year Ended March 31, 2012

1. The Fiscal Stabilization Account was established under the authority of subsection 26.1(1) of *The Financial Administration Act*. The Fiscal Stabilization Fund established under *The Fiscal Stabilization Fund Act* is continued as the Fiscal Stabilization Account. The legislated purpose of the Account is to assist in stabilizing the fiscal position by supporting core government operations in a fiscal year or to repay debt. Under subsection 26.1(3) the Minister of Finance, with the approval of the Lieutenant Governor in Council, may deposit in the Account any part of the revenue or other financial assets received in the core government in any fiscal year. Under subsection 26.1(4), the Minister of Finance may, with the approval of the Lieutenant Governor in Council, transfer all or part of the Account balance to the core government.

2 Transactions in the Fiscal Stabilization Account are accounted for on an accrual basis and reflect the transfers made under Section 26.1(3) and 26.1(4) of *The Financial Administration Act*. Transfers are determined by the Minister of Finance and are authorized with an Order in Council. The report on these transactions is made in accordance with Section 65(1)(c)(ii) of *The Financial Administration Act*.

3 It is the Government's policy to divide the Fiscal Stabilization Account into two programs, the Health Program and the General Program, as presented in the attached, unaudited Schedule of Supplementary Information. Funds were allocated to the Health Program based upon funds received from the Federal Government for Wait Time Reduction programming and Other Health Related programming.

4 Subsection 26.1(2) of *The Financial Administration Act* stipulates that the Minister of Finance shall make every effort to ensure that the balance of the Account at the end of each fiscal year is at least 5% of the core government expenditures for that year. As authorized under amendments to *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act,* Part 4.1, during the 5 year economic recovery period the Minister is directed to transfer at least $600 million from the Fiscal Stabilization Account to the core government to support the amortization of increases in general purposes debt, including related interest expenses, attributable to negative net results for fiscal years within that period.

FISCAL STABILIZATION ACCOUNT
SCHEDULE OF SUPPLEMENTARY INFORMATION
(Unaudited)
For the Year Ended March 31, 2012

	($ thousands)	
Fiscal Stabilization Account by Program	**2012**	**2011**
Health Program		
Account Balance, beginning of year	32,834	57,834
Health Program Transfers		
- Wait Time reduction Programming	(25,000)	(25,000)
Account Balance, end of year	7,834	32,834
General Program		
Account Balance, beginning of year	649,105	749,420
General Program Transfers		
- Health Program	25,000	25,000
- ecoTrust	(6,401)	-
- Transfer for General Purpose debt reduction	(110,000)	(90,000)
- Transfer for General Purpose debt servicing costs	(14,000)	(5,990)
- Transfer to Core Government - allocated to general purposes	(25,000)	(29,325)
Account Balance, end of year	518,704	649,105
Total Account Balance, end of year	526,538	681,939

OFFICE OF THE
AUDITOR GENERAL
MANITOBA

INDEPENDENT AUDITOR'S REPORT

To the Legislative Assembly of the Province of Manitoba

We have audited the accompanying Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2012 ("the statement"). The statement has been prepared by management based on section 65(1)(c)(i) of the *Financial Administration Act*.

Management's Responsibility for the Statement
Management is responsible for the preparation of this statement in accordance with the *Financial Administration Act* and for such internal control as management determines is necessary to enable the preparation of the statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility
Our responsibility is to express an opinion on the statement based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial information in the Debt Retirement Account Statement of Transfers and Account Balance of the Province of Manitoba for the year ended March 31, 2012 is prepared, in all material respects, in accordance with section 65(1)(c)(i) of the *Financial Administration Act*.

Basis of Accounting
Without modifying our opinion, we draw attention to Note 2 to the statement, which describes the basis of accounting. The statement is prepared to assist the entity to meet the requirements of section 65(1)(c)(i) of the *Financial Administration Act*. As a result, the statement may not be suitable for another purpose.

Original document signed by:
Carol Bellringer

August 29, 2012
Winnipeg, Manitoba

Carol Bellringer, FCA, MBA
Auditor General

500 – 330 Portage Avenue Winnipeg, Manitoba R3C 0C4 office: (204) 945-3790 fax: (204) 945-2169
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DEBT RETIREMENT ACCOUNT
STATEMENT OF TRANSFERS AND ACCOUNT BALANCE

For the Year Ended March 31, 2012

($ thousands)

	2012	2011
Transfers		
Allocation for Interest	-	14
Transfer for General Purpose debt reduction	-	(145,304)
Net results for the year after transfers	-	(145,290)
Account Balance, beginning of year	-	145,290
Account Balance, end of year	-	-

Notes to Financial Information

1. The Debt Retirement Account was established under the authority of *The Balanced Budget, Fiscal Management and Taxpayer Accountability Act* (Act). The Debt Retirement Fund established under the Act is continued as the Debt Retirement Account. The purpose of the Account was to assist in the orderly repayment of debt pursuant to the Act.

2 Transactions in the Debt Retirement Account are accounted for on an accrual basis. Transfers to the account are made in accordance with Sections 13(2) and 13(3) of the Act. Transfers from the account are made in accordance with Section 14(1) and 14(2) of the Act. The report on these transactions is made in accordance with Section 65(1)(c)(i) of *The Financial Administration Act*.

3 In accordance with subsection 14(2) of the Act, which requires the balance of the debt retirement account to be transferred to the Core Government at least once every five years for the purpose of reducing general purpose debt, the Government transferred $145 million from the Debt Retirement Account to the Core Government on April 14, 2010.

4 Subsection 13(2) of the Act was amended to not apply to those periods falling within the economic recovery period, ending March 31, 2014, and as a result there was no transfer from Core Government operations for the specific purpose of reducing general purpose debt and pension obligations. Consequently there was no transfer from the Debt Retirement Account for the specific purpose of providing for the future retirement of pension obligations in accordance with subsection 14(1) of the Act.

SUMMARY FINANCIAL STATEMENTS
CONSOLIDATED DETAILS AND RECONCILIATION
TO CORE GOVERNMENT RESULTS

For the Year ended March 31, 2012

Unaudited

($ millions)

	2012			2011		
	Core Government	Consolidation Impacts	Summary 2012	Core Government	Consolidation Impacts	Summary 2011
REVENUE						
Income taxes	3,107	17	3,124	2,922	-	2,922
Other taxes	2,916	615	3,531	2,807	599	3,406
Fees and other revenue	515	1,391	1,906	511	1,317	1,828
Federal transfers	4,053	279	4,332	3,726	321	4,047
Net income from government business enterprises	597	116	713	583	224	807
Sinking funds and other investment earnings	-	249	249	-	230	230
TOTAL REVENUE	11,188	2,667	13,855	10,549	2,691	13,240
EXPENSES						
Health and Healthy Living	4,901	427	5,328	4,724	320	5,044
Education	2,262	1,227	3,489	2,128	1,202	3,330
Family Services	1,049	(36)	1,013	983	(5)	978
Community, Economic and Resource Development	2,290	481	2,771	2,004	396	2,400
Justice and Other Expenditures	1,360	78	1,438	816	78	894
Debt Servicing	236	579	815	233	540	773
TOTAL EXPENSES	12,098	2,756	14,854	10,888	2,531	13,419
Net Income (Loss) before Transfers for Expense Recovery	(910)	(89)	(999)	(339)	160	(179)
Transfer (to) from Fiscal Stabilization Account	45	(45)	-	35	(35)	-
Net Result before Transfers for Debt Repayment	(865)	(134)	(999)	(304)	125	(179)
Transfer (to) from Debt Retirement Account	-	-	-	145	(145)	-
Transfer (to) from Fiscal Stabilization Account	110	(110)	-	90	(90)	-
NET RESULT FOR THE YEAR AFTER TRANSFERS	(755)	(244)	(999)	(69)	(110)	(179)

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES
FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

HIS HONOUR PHILIP LEE
Lieutenant-Governor of the Province of Manitoba

May It Please Your Honour:

I have the privilege of presenting, for the information of Your Honour, the Annual Report of the Province of Manitoba for the year ended March 31, 2011. This document completes the government's accountability reporting for the year. The Report includes a review of the year's results relative to the government's budget. It also contains economic statistics and indicators of the financial health of the Province.

Included in this Annual Report is Volume 1 of the Public Accounts. The Public Accounts contain the summary financial statements of the government reporting entity and management's financial statement discussion and analysis report.

Original signed by

Honourable Rosann Wowchuk
Minister of Finance

Office of the Minister of Finance
September, 2011

MINISTER OF
FINANCE

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

MINISTRE DES
FINANCES

Palais législatif
Winnipeg (Manitoba) CANADA
R3C 0V8

SON HONNEUR PHILIP LEE
Lieutenant-gouverneur de la province du Manitoba

Votre Honneur,

J'ai le privilège de vous présenter, à titre informatif, le rapport annuel de la province du Manitoba pour l'exercice qui s'est terminé le 31 mars 2011. Ce document complète le compte rendu des activités du gouvernement pour cet exercice. Le rapport comprend une récapitulation des résultats de l'exercice par rapport au budget du gouvernement. Il contient également des statistiques économiques et des indicateurs de la santé financière de la province.

Ce rapport annuel inclut le Volume 1 des comptes publics. Les comptes publics contiennent les états financiers sommaires de l'entité comptable du gouvernement, ainsi que les commentaires et analyses de la direction à ce sujet.

Original signé par

M[me] Rosann Wowchuk
Ministre des Finances

Cabinet du ministre des Finances
Septembre 2011